



**IN THE NATIONAL COMPANY LAW TRIBUNAL
PRINCIPAL BENCH
NEW DELHI**

**IA(IBC) (Dis.)/12(PB)/2024
IN
Company Petition No. (IB) -239(PB)/2017**

(Under 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)

IN THE MATTER OF:

M/s Baddi Foils Private Limited **...Operational Creditor**

Vs.

M/s Biotropics Pharma Private Limited **...Corporate Debtor**

AND IN THE MATTER OF:

Mr. Naresh Kumar Sood
Liquidator of Corporate Debtor **...Applicant**

ORDER PRONOUNCED ON: 30.07.2024

CORAM:

**CHIEF JUSTICE (RETD.) RAMALINGAM SUDHAKAR
HON'BLE PRESIDENT**

**SHRI AVINASH K. SRIVASTAVA
HON'BLE MEMBER (TECHNICAL)**

APPEARANCES:

For the Applicant : Mr. Vinod Chaurasai, Adv.



ORDER

1. **IA (IBC) (Dis.)/12(PB)/2024** is an application for dissolution of Corporate Debtor M/s Biotropics Pharma Private Limited, filed by the Liquidator under Section 54(1) of the Insolvency and Bankruptcy Code, 2016 (**IBC / Code**) Applicant has prayed for the following:

- a. Allow the present application;*
- b. To pass an order to dissolve the Corporate Debtor under section 54 of IBC, 2016*
- c. Direct the ROC to record dissolution of CD;*
- d. To discharge the liquidator from the Liquidation process and any proceedings related to Corporate Debtor after necessary compliances with ROC and intimation to IBBI and*
- e. Pass such other or further Order/Order(s) as may be deemed fit and proper in the facts and circumstances of the instant case*

2. **Brief Facts of the case are as follows:**

2.1 This Adjudicating Authority vide order dated 09.04.2018 (**Admission Order**) admitted the petition being CP(IB)-239-(PB)/2017 filed by M/s Baddi Foils Private Limited.

2.2 Liquidator submits that at the time of commencement of CIRP, CD was having its two industrial units located at Plot No. 76/2 , DIC Industrial Area, Baddi, Distt. Solan, H.P. PIN173205 and also one unit at Plot No.-17 & 18, Apparel Park-cum-Industrial Area, Katha, Bhattolikalan, Baddi, Distt. Solan, H.P.-173205 and all the three units were found to be non-functional and these were reported to be non-operational since financial year 2015-16. Liquidator also submitted that at the time of commencement of CIRP, the Corporate Debtor had:

- I. No employees,
- II. No business activity,
- III. Tangible assets included Land & Building and Plant & Machinery, which were sold and



distributed in terms of section 53 of IBC excluding disputed assets.

- IV. There was no stock/inventory of raw-material, work-in-process etc. Only some garbage containing torn papers and dried Ink containers were lying scattered in the factory, which did not have even scrap value.

Further, no financial records have been maintained by the CD after 31.03.2015. As per the audited balance sheet as on 31.03.2015, total revenue was reported at **Rs. 16,29,08,827/-** and Profit before tax was Loss at **Rs. 5,59,91,219/-**. Inventory was shown as **Rs. 9,89,22,137/-** and receivables at **Rs. 6, 18,56,639/-** and Short-term loan and advances at **Rs. 1,22, 15,875/-**. Erstwhile directors and statutory auditors had not provided account books/ documents and accounting software etc. to the RP /Liquidator despite repeated requests. The total revenue shown for the financial year 2015-16 in provisional balance-sheet was **Rs. 3,97,03,652/-** and total loss was shown as **Rs. 11,17,42,000/-**, Inventories were shown of **Rs. 3,50,000/-** and receivables at **Rs. 1,71,70,848/-**.

- 2.3 Despite making efforts twice by RP, no resolution applicant came forward to submit a resolution plan. Accordingly, CoC in its 4th meeting held on **14.09.2018** recommended for liquidation of the corporate debtor and appointed Mr. Naresh Kumar Sood as its Liquidator.
- 2.4 Vide order dated 26.10.2018, this Adjudicating Authority allowed Liquidation Application being CA-978/2018 filed under section 33(1) of the Code and **Mr. Naresh Kumar Sood** was appointed as the Liquidator.



2.5 Liquidator made public announcement in prescribed Form B dated 30.10.2018 as per Regulation 12 of Liquidation Process Regulations inviting claims from all stakeholders with proof of claim. Summary of claims of all the stakeholders are given hereunder:

S. NO	NAME OF THE CREDITOR	NATURE OF CLAIM	CLAIM FOR	AMOUNT OF CLAIM ADMITTED (in Rupees)	% SHARE
OPERATIONAL CREDITORS (OTHER THAN WORKMEN AND EMPLOYEES) AS PER REGULATION 17(1)					
1	SHRI RAM MULTITECH LIMITED	OPERATIONAL CREDITOR	C	45,75,757	2.30
2	EPFO (PF DUES)	EMPLOYEES' PF DUES	C	27893	0.013
3	INCOME TAX OFFICER	CENTRAL & STATE GOVT. DUES	C	124,02,002	6.22
4	ESIC	CENTRAL & STATE GOVT. DUES	C	47,749	0.023
5	STATE TAXES & EXCISE	CENTRAL & STATE GOVT. DUES	C	122,70,000	6.15
6	DEPARTMENT OF INDUSTRIES	CENTRAL & STATE GOVT. DUES	C	77,754	0.039
FINANCIAL CREDITORS AS PER REGULATION 18(1)					
7	BANK OF INDIA	SECURED CREDITOR with 1 st charge on Land & Building and Plant & Machinery	D	16,50,57,577.74	82.79
8	RELIANCE COMMERCIAL FINANCE LTD	SECURED CREDITOR with charge on specific Plant & Machinery	D	49,06,358.99	2.46
	TOTAL			19,93,65,091.73	

2.6 Pursuant to Regulation 15 of the Liquidation Regulation, total 21 progress reports were filed for every quarter post commencement of Liquidation.



- 2.7 Liquidator has submitted that the Corporate Debtor's units were located at two locations. Similarly, Plant & Machinery installed at three units had different utilities. Hence, liquidator had decided to sell the assets in five Blocks. Unit number 1 & 2 located at same location at 76/2, DIC Industrial Area, Baddi was categorized as Block A, whereas unit located at 17-18, APCIA, Bhatolikalan, Baddi was categorised as Block-B. Similarly, Plant and Machinery located in Unit No. 1 was categorised as Block-C, at unit no. 2 as Block-D and at Unit No. 3 as Block-E. Block wise assets and Reserve Price for e-auction has been annexed as **Annexure 10** @ page 183-184 of this application. Liquidator had conducted the process of e-auction and successfully sold movable assets of the company in parcels vide e-auction held on **28.03.2019**. E-auction for plant and Machinery i.e. Block C, D and E was successful on **28.03.2019**. The buyer was issued Certificate of Sale on **03.05.2019**. As e-auction for Block- A & Block- B was not successful, Liquidator has resorted to Private Sale Mode. **Block A** was sold for Rs. **61,00,000/-** and **Block B** for **1,26,97,000/-**. The sale letters were issued on 11.09.2019 and 11.10.2019 respectively.
- 2.8 Liquidator had, in all, received eight (8) claims, out of which, one was received from operational creditor other than State and Central Government departments, five (5) were received from Government departments, out of which one was from EPFO relating to employees' dues and a claim from ESIC was regarding some penalties for delayed filing of returns etc. and two from financial creditors. Claims of financial creditors were secured and operational creditors were unsecured. There were outstanding CIRP expenses also. One of the secured financial creditors, Bank of India had registered charge on CD's entire Land & Building and



Plant & Machinery whereas Reliance Commercial Finance Limited had registered their charge on specific machines financed by them. Liquidator had realised the sale proceeds of Liquidation Estate, which were under his control and distributed under section 53 of IBC. Provident Fund dues and CIRP expenses were distributed first. Distribution proceeds as given in annexure 16 is extracted below:

BIOTROPICS PHARMA PRIVATE LIMITED- UNDER LIQUIDATION							
CLAIMS AND DISTRIBUTION							
Claims							
S. No.	Name of Creditor	Nature of claim	CLAIM FORM	Amount claimed	Amount admitted	Amount distributed	% share in total claims
1	EPF (PF dues)	Central & State Government dues	FORM C	₹ 27,893.00	₹ 27,893.00	₹ 27,893.00	0.014
2	CIRP Expenses					₹ 2,857,793.00	
3	Liquidation Expenses till 31.3.2020					₹ 3,601,278.77	
Secured Financial Creditors							
4	Bank of India	Secured Creditor (Security Interest relinquished)	FORM D	₹ 165,057,577.74	₹ 165,057,577.74	₹ 23,065,002.23	82.79
5	Reliance Commercial Finance Limited	Secured Creditor (Security Interest relinquished)	FORM D	₹ 4,906,358.99	₹ 4,906,358.99	₹ 164,004.00	2.46
Operational Creditors & Central and State Government dues							
6	Shree Ram Multi-Tech Limited	Operational Creditor	FORM C	4,575,757	4,575,757	₹ -	2.29
7	Income Tax Officer	Central & State Government dues	FORM C	12,402,715	12,402,002	₹ -	6.22
8	ESIC	Central & State Government dues	FORM C	47,749	47,749	₹ -	0.023
9	State Taxes & Excise	Central & State Government dues	FORM C	12,270,000	12,270,000	₹ -	6.15
10	Department of Industries	Central & State Government dues	FORM C	77,754	77,754	₹ -	0.039
TOTAL				199,365,805	199,365,092	29,715,971	



- 2.9 Pursuant to Regulation 41 of the Liquidation Regulations, the Liquidator opened a bank account with Bank of India in the name of Corporate Debtor i.e. “Biotropics Pharma Pvt. Ltd.’ - in Liquidation” having Account number 791720110000428. The account has been closed on 22.02.2024 and funds disbursed to creditors.
- 2.10 In pursuance of Regulation 45 of the Liquidation Regulations, the Liquidator filed Final Report vide IA No. 1356(PB)/2024 with this Adjudicating Authority on 19.03.2024 which was taken on record.
- 2.11 Compliance Certificate in Form H has been annexed with this Application for closure of Liquidation Proceedings as Annexure – 23.
- 2.12 Liquidator submitted that no PUFÉ transactions were found as per Provisional financial statement for two preceding years from CIRP date. Ex-directors also reported that original record has been stolen and an Affidavit (Annexure-5 (colly)) has been filed by them with this AA regarding this fact. Liquidator further submits that there is no litigation/ PUFÉ Transaction Application pending against the CD before NCLT or any court of law as per the information available with the Liquidator.
- 2.13 Liquidator had explored the possibility of assignment of disputed assets (case property which was in respect of an FIR filed by one erstwhile Director for goods stolen from the factory premises on **29.12.2017**) as per Regulation 37 A of Liquidation Regulations 2016. To take forward this process, Liquidator had constituted a Stakeholders Consultation Committee (SCC) in terms of Regulation 31A of Liquidation Regulations, 2016. The Liquidator had, during the SCC Meeting informed that he had appointed two registered valuers, for valuation of disputed assets. It was valued



at Rs. 19.43 lakhs and in 2nd SCC meeting dated 14.10.2021 Liquidator requested the Committee to consider invoking Regulation 37A regarding assignment of disputed assets. Consequently, Liquidator initiated the process of e-auction of the disputed assets for assignment. Liquidator had informed the committee in 3rd SCC meeting held on 26.11.21 that he had initiated the process of e-auction of the disputed assets for assignment under Regulation 37 A. An average of realization value of both the valuations was fixed as 'Reserve Price' for bidding. Public notices for assignment (sale) were issued in two newspapers. He informed the committee that despite many prospective investors showing interest in assets, no bid was received. Further, the Liquidator identified some current assets based on provisional balance sheets provided by ex-Directors as on 31.03.16, 31.03.17 and 31.03.18. The Liquidator invited offers by public advertisement for assignment of these assets as Not Readily Realisable Assets (NRRA) under Regulation 37A of Liquidation Regulations. However, he did not receive any offer. Liquidator further submitted that the unsold assets have been distributed/assigned to creditors as per Regulation 38(1) of Liquidation Regulations. Liquidator has assigned the unsold assets to the creditors on 15.02.2024 in terms of Hon'ble NCLT order dated 2.01.2024.

ORDER:

- i. We have perused the Application for dissolution of Corporate Debtor and the annexed documents. On perusal of the application, we find that all the statutory requirements enshrined under the code under section 54 is fulfilled i.e. assets of the CD



are completely liquidated and there is no hurdle in allowing this application.

- ii. Accordingly, **IA(IBC)(Dis.)- 12(PB)/2024** is **ALLOWED** and **Disposed of**.
- iii. **CP (IB)/ 239(PB)/2017** stands **DISPOSED OF. All pending IAs (if any) also stand DISPOSED OF.**
- iv. The Registry is directed to send a copy of this order passed under Section 54(2) to the ROC Delhi & Haryana, with which the Corporate Debtor is registered and the IBBI within seven days from the date of this order.

File be consigned to Record Room (Final).

Sd/-

RAMALINGAM SUDHAKAR
PRESIDENT

Sd/-

AVINASH K. SRIVASTAVA
MEMBER (TECHNICAL)