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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ CO.PET. 204/2003

NEW CAWNPORE FLOUR MILLS LTD. .....Petitioner

Through: Mr.__, Advocate (Appearance not given)

versus

BAKEMANS INDUSTRIES P. LTD. .....Respondent

Through: Ms.Ruchi Sindhwani, Sr.Standing Counsel for OL with Ms.Megha Bharara, Advocate for OL
Mr.Shivanath Mahanta, Advocate for applicant/RPFC)
Ms.Rashi Goswami, Advocate for applicant-Ceylon Biscuits

CORAM:
HON'BLE MR. JUSTICE CHANDRA DHARI SINGH

O R D E R

% **06.08.2024**

CO.APPL. 678/2024 *(the OL seeking permission to conduct sale/E-auction)*

1. The instant application under Rule 9 of the Companies (Court) Rules, 1959 has been filed on behalf of the applicant/Official Liquidator (hereinafter "OL") seeking the following reliefs:-

> *"i) Application on behalf of the Official Liquidator may kindly be taken on record;*
> *ii) Official Liquidator be permitted to conduct sale/E-auction through M/s Railtel Corporation Limited (E-Auction Agency);*
> *iii) E-auction sale notice & Terms & Condition of goodwill/brand of the company (In Liqn.) "BAKEMANS"*

annexed as Annexure-B may kindly be approved;
iv) Official Liquidator be permitted to publish the sale notice in the newspapers namely "Times of India" (English) and "Patiala Page" (Punjabi) as per DAVP rate or the lowest quotation received from empanelled agencies of the Official Liquidator;
v) Official Liquidator may kindly be permitted to bear the expenses for the publication from the funds of the Company (In Liqn.);
vi) Such other order/orders be passed as this Hon'ble Court may deem fit and proper."

2. Learned Standing counsel appearing on behalf of the OL submitted that the office of the OL received a letter dated 28th June, 2022 from a secured creditor, Pioneer Securities Pvt. Ltd. wherein it was stated that *"we have been approached by a company who is interested in purchasing the Brand of "BAKEMAN'S for a value of Rs.15 lakh. In order to sell the brand, we request you to initiate the process of sale of the brand of "BAKEMAN'S. We hereby offer our services and request you to empower us to conduct the e-auction of the Brand on your behalf."* It is submitted that the said goodwill of the Company (in Liquidation) is the property of the Company (in Liquidation) and has not been hypothecated or encumbered otherwise. Thereafter, the office of the OL filed CA No. 177/2023, stating that none of the valuers on the panel were found to be eligible for valuation of intangible assets. It is further submitted that a valuer, 'Crest Valuation', who are stated to have expertise in the subject matter have agreed to evaluate the goodwill of Company (in Liquidation), and should be appointed. The aforementioned application was allowed vide order dated 20th March, 2023.

3. It is submitted that in compliance of the said order, Crest Capital Group Pvt. Ltd was appointed as valuer in order to evaluate the goodwill of

the Company (in Liquidation). It is submitted that the valuation report was submitted to the office of the OL on 26th April, 2023, for evaluating the goodwill of the Company (in Liquidation) at Rs.20,00,000/-. It is further submitted that the office of the OL filed an application bearing CA No. 411/2023, seeking permission to sell the goodwill of the Company (in Liquidation) i.e. BAKEMANS in terms of the valuation report submitted by "Crest Capital Group Pvt. Ltd.", this Court, vide order dated 1st September, 2023, observed and directed as under:-

> *"**CO.APPL. 411/2023 in CO. PET. 204/2003***
> *21. The present application has been filed by the OL seeking permission to sell the goodwill of the Company (In Liqn.) i.e., BAKEMAN'S, in terms of the valuation report submitted by 'Crest Capital Group Pvt. Ltd. ' advisors. On the last date, the Court had directed that a comprehensive report be furnished after considering the value of the intangible assets. The Valuer is stated to have submitted a justification for valuing the BAKEMAN'S brand at Rs.20 lakhs.*
> *22. The brand and logo being intangible assets ought not to be undervalued and proper valuation ought to be obtained. The valuation of the brand depends on a large number of factors including the reputation, long user, statutory rights owned, goodwill and common law rights etc., In this view of the matter, this Court deems it appropriate to direct the OL to obtain a fresh valuation from one of the established Consulting Firms such as Pwc, KPMG, Deloitte, or E&Y, or other similar firms after obtaining a competitive quote, from them."*

4. It is submitted that in compliance of the said order, the office of the OL issued letter dated 14th September, 2023 and subsequent reminder dated 23rd November, 2023 to PWC, KPMG, Deloitte & E &Y, informing them of the order dated 1st September, 2023 passed by this Court and to provide the quotation for the said purpose. However, no reply/response was received

from the above-mentioned entitites. It is further submitted that in the meanwhile, representative on behalf of Pioneer Securities (P) Ltd. (Secured Creditor) appeared before this Court on 6th December, 2023 and suggested another valuer one M/sDeepak Gulati & Associates, who are well versed in valuing brand name/goodwill.

5. It is submitted that the office of the OL filed an application bearing CA No.257/2024 seeking permission to appoint M/s.Deepak Gulati & Associates as valuer for evaluating the goodwill of the Company (in Liquidation). The above said application was allowed vide order dated 30th April, 2024. It is further submitted that in compliance thereof, M/s.Deepak Gulati & Associates submitted their valuation report dated 24th May, 2024, wherein the brand/goodwill has been valued at Rs.29,50,260/- as on 31st March, 2024. Hence, it is prayed that the instant application may be allowed.

6. Heard learned Standing counsel appearing on behalf of the OL and perused the contents of the application.

7. In view of the facts and circumstances, this Court is inclined to allow the instant application. Accordingly, the instant application is taken on record. The OL is permitted to conduct sale/E-auction through M/s Railtel Corporation Limited (E-Auction Agency). The E-auction sale notice and Terms and Conditions of goodwill/brand of the company (in Liquidation) "BAKEMANS", which is appended as Annexure-B to the application, are, hereby, approved. Further, the OL is permitted to publish the sale notice in the newspapers namely "Times of India" (English) and "Patiala Page" (Punjabi) as per DAVP rate or the lowest quotation received from empanelled agencies of the OL. The OL is further permitted to bear the

expenses for the publication from the funds of the Company (in Liquidation).

8. With the aforesaid directions, the instant application stands disposed of.

OLR 113/2023

1. The instant status report has been filed on behalf of the OL. The same is taken on record.

2. Upon perusal of the contents of the instant status report, this Court is inclined to allow the prayer made in the same.

3. Accordingly, the OL is permitted to send amended/modified admission notices to the 8 workers of the Company (in liquidatioin), the list of whom is appended as Annexure-D to the status report, in light of the revised comprehensive report dated 12th April, 2022 of the Chartered Accountant.

4. With the aforesaid direction, the instant OLR stands disposed of.

CO.PET. 204/2003, CO.APPL. 1068/2016, CO.APPL. 1217/2016, CO.APPL. 1253/2019, CO.APPL. 562/2020, CO.APPL. 411/2023 & CO.APPL. 689/2023

List on 9th October, 2024.

CHANDRA DHARI SINGH, J

AUGUST 6, 2024
Dy/aa

Click here to check corrigendum, if any