IN THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH

CORAM: SHRI DEEP CHANDRA JOSHI,
HON'BLE JUDICIAL MEMBER

SHRI RAJEEV MEHROTRA,
HON'BLE TECHNICAL MEMBER

IA (IBC) No. 455/JPR/2022
In CP No. (IB)56 /10/JPR/2021

IN THE MATTER OF:

RANISAGAR CEMENT COMPANY LIMITED

...Applicant

IA No. 455/JPR/2022
UNDER SECTION 54 OF IBC, 2016

MEMO OF PARTIES

Garima Diggiwal, IRP
M/s Ranisagar Cement Company Ltd.
R/o H. No. 91, Moji Colony- Malviya Nagar,
Jaipur, 302017

...Applicant

VERSUS

The Registrar of Companies- Jaipur
Corporate Bhawan, G/6-7, Second Floor,
Residency Area, Civil Lines, Jaipur 302001

...Respondent No. 1

Mr. Sarvesh Pal Sehgal
H.No. 27, Onkar Nagar, Civil, Lines, Ajmer
Rajasthan- 305001.

...Respondent No. 2

Mr. Daljeet Singh Bhandari
H.No. C-113, Lal Kothi Scheme, Behind
Vidhan Sabha, Gandhi Nagar, Jaipur.

...Respondent No. 3

Mr. Dinesh Kumar Mathur
H.No. 80/199, Nyapath Patel Marg,

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Agrawal Farm, Sector 8, Sanganer,
Mansorovar, Jaipur- 302020

...Respondent No. 4

For the Applicant : Utkarsh Bhardwaj, Adv.
For the Respondent : Nitesh Srivastava, Adv.

Order Pronounced On: 13.08.2024

ORDER

Per: Shri Rajeev Mehrotra, Technical Member

1. This Interlocutory Application ('IA') has been filed by *Ms. Garima Diggiwal* ('Applicant'), the Interim Resolution Professional ('IRP') of *M/s Ranisagar Cement Company* ('Corporate Debtor') under Section 54 of the Insolvency & Bankruptcy Code, 2016 ('IBC'/ 'Code') read with Regulation 14 of IBBI (Liquidation Process) Regulations, 2016 and Rule 11 of NCLT Rules, 2016 for early dissolution of the of the Company.

2. This Adjudicating Authority *vide* Order dated 23.06.2022 admitted the Application under Section 10 of the IBC filed by *M/s Ranisagar Cement Company* thereby initiating the Corporate Insolvency Resolution Process ('CIRP') against the Corporate Debtor and appointed *Ms. Garima Diggiwal* as the IRP and directed her to take all necessary actions in accordance with the provisions of IBC, 2016.

3. In compliance with Regulation 12 of the Liquidation Regulation, 2016 a public announcement was made on 29.06.2022 in two newspapers to invite the claim from the creditors wherein the last date for submission of the claim was 12.07.2022.

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4. The IRP visited the registered office of the corporate debtor took possession of the assets of the document lying there and informed the Erstwhile Management about the initiation of the CIRP and since then, the IRP has complied with all applicable disclosures and filing with the IBBI/ IPA as and when applicable, pertaining to the CIRP of the Corporate Debtor.

5. IRP further submitted that despite publication, no claims have been received by the IRP and therefore, Committee of Creditors ('COC') could not be constituted by the IRP in accordance with Section 21 of the Code.

6. IRP further informed the erstwhile management of the Corporate Debtor and Financial Creditors vide e-mail dated 02.07.2022 were further reminded about the submission of claims but still neither any reply was received nor any claim was filed by anyone.

7. IRP further submitted that looking at the affairs of the Corporate Debtor and perusal of Balance Sheet for the Financial year 31.03.2021 and Provisional Balance Sheet filed along with Application under Section 10 for period up to 28.07.2021, it can be seen that the Corporate Debtor is not having any assets and the entire assets have been sold off by the State Bank of Hyderabad, (currently merged with SBI) way back in the year 2004 and operations of the Corporate Debtor ceased almost 24 years ago and therefore, there is no possibility of keeping the corporate debtor as a going concern

8. The company, in the Balance Sheet for the year ended 31.03.2021 and also in the Provisional Balance Sheet as on 28.07.2021, has shown the

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outstanding due to its Directors (impleaded as R- No 2-4) who have granted interest free loans to the company, aggregating to Rs. 41,11,965/-, but no claim was filed by any of them. On a personal meeting of IRP with the Suspended Board of Directors, they explained that no purpose will be served by filing the claim, as no assets are available with the company and even if claims are filed, they cannot become part of CoC. So they do not intend to file any claim.

9. The IRP found that although there is no outstanding liability against the company and no claim has been received, still there are charges created on the assets of the company by State Bank of Hyderabad and the same is reflected on MCA portal. IRP was informed by the Erstwhile director that all the assets of the CD have already been sold off in an auction 14.09.2004, conducted by the State Bank of Hyderabad, in whose favour charges were created and the sale has been confirmed by the Recovery Officer, Debt Recovery Tribunal Jaipur vide order dated 21.10.2004. Later, the State Bank of Hyderabad did not proceed with any recovery proceedings against the CD and recovery proceedings initiated before DRT Jaipur were disposed of vide order dated 04.03.2009 (annexure A-5 with IA 455). The IRP placed on record a letter of State bank of Hyderabad, SMS Highway Branch, Jaipur, dated 27.10.2024 (Annexure A-5 Page 31), addressed to the MD of Ranisagar Cement company Limited informing that "*in terms of the directives of the Hon'ble DRT, Jaipur, the assets of the Company were*

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auctioned on 14.09.2004 by the Court Auctioneer and M/s Petesons Marketing (P) Limited, Rajkot Gujarat has been declared the purchaser of the immovable and movable assets of the company for Rs. 1.36 Crores. The sale of assets of Ranisagar Cement has been duly confirmed by the Recovery officer, DRT Jaipur vide sale certificate No. 3934 dated 21.10.2004 and No. 3935 dated 21.10.2004. M/s Petesons Marketing Pvt. Limited Rajkot is taking over the possession of the said assets."

10. The IRP, to ensure legal compliance, wrote a letter dated 19.08.2022 to the Registrar of Companies, Jaipur, requesting to file satisfaction of charge in accordance with Section 83 of the Companies Act, 2013 including with record of necessary evidences regarding sale of the assets of the CD.

11. The ROC replied that both the Company and the Bank had the knowledge of procedural requirement of law regarding creation and for satisfaction of charge by following necessary legal procedures and forms. ROC further clarified that unless, the company satisfies the charge showing against M/s Ranisagar Cement Company Limited on the MCA portal, the same must not be liquidated. It was also mentioned by the ROC that company has not provided any document issued by the bank whether their charge is satisfied and on which date.

12. The IRP in the above IA requested early Dissolution of the Corporate Debtor, as, neither there are any assets with the Company nor any claims have been received and there is no means to meet out the CIRP Cost. No

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CoC is also possible to be constituted, and therefore, early dissolution will be in the interest of all stakeholders. Therefore, it will be just and proper that the Corporate Debtor be dissolved directly without liquidation of the CD and without need to incur any future cost. Even if a liquidation order is passed by the Hon'ble Tribunal as per Section 33(1) of the IBC, 2016, liquidation Estate cannot be formed, and accordingly, continuing with the CIRP or liquidation will only cause loss to the valuable judiciary time and will add to the cost of CIRP, without any possibility of recovery. Therefore, IRP prayed that his application in the Section 54 of IBC read with Regulation 14 be approved for early dissolution of the CD.

13. The IRP has placed on record an order dated 30.07.2018, passed by the Hon'ble NCLT Chennai Bench in the matter of *SREI Equipment Finance Limited V/s S.D.S Steels Private Limited* MA No. 238/2018 in CP (IB) NO. 187/IB/2018, and order dated 16.11.2020 passed by the NCLT Kochi Bench the matter Synew Steel Private Limited in CP (IB) No. 97/BB/2020 wherein, the Hon'ble Tribunal without passing an order of liquidation, directly ordered for dissolution of the CD. The copy of the orders has been place at Annexure A-9 of the Application.

14. This Tribunal based on the submissions by the IRP regarding outstanding charge in MCA records against the CD, vide its order dated 08.07.2024, decided that a Final Notice be sent to the Banks as detailed below along with the records related to the matter.

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S. No.	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of modification	Date of Satisfaction	Amount	Address
1.	Y10369215	90261129	State Bank of Hyderabad (Now State Bank of India)	06/09/1994	16/12/1995	-	14000000.0	SMS Highway Branch Jaipur RJ IN
2.	Y10366082	90257896	State Bank of Hyderabad (Now State Bank of India)	06/09/1994	-	-	14000000.0	SMS Highway Branch Jaipur RJ IN
3.	Y10369170	90261084	Bank of Rajasthan Limited (Now ICICI Bank)	22/03/1994	-	-	1650000.0	Bani Park Jaipur RJ IN
4.	Y10366012	90257926	Bank of Rajasthan Limited (Now ICICI Bank)	29/01/1994	-	-	6888000.0	Bani Park Jaipur RJ IN

15. However, no bank appeared before the Tribunal on that date and this finally confirmed that there are no claimants for the charge created and it has been carelessly left unremoved by the Company and Banks from the records of ROC.

16. Subsequently, as per Section 54 of IBC, the Liquidator can approach the Adjudicating Authority for dissolution of the Corporate Debtor when the assets of the Corporate Debtor have been completely liquidated. The Application for the dissolution of the Corporate Debtor has been moved

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under proper norms, and in compliance with the directions of this Adjudicating Authority.

17. This Adjudicating Authority has perused all the relevant papers and found them in Order. The Registered Office of the Corporate Debtor is situated in Jaipur; therefore, this Adjudicating Authority has jurisdiction to entertain and try this Application. The matter is within the purview of the Law of Limitation as the Application is filed within the period of limitation.

18. The dissolution of a Corporate Debtor is provided under Section 54 of the Code, which is provided below for ease of reference:

> ***Section 54: 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.*

19. In the light of the aforementioned facts, it is noticed that since there is no possibility to continue the liquidation process of the Corporate Debtor in the absence of any assets/documents/records and personnel of the corporate debtor, it is just and equitable to allow the prayer of the Applicant. Furthermore, there are no pending litigations against the Corporate Debtor.

20. Consequently, it is not only just and equitable but also necessary as no sale proceeds are available to satisfy the creditor's dues (s). The present case falls

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within the parameters of Section 54 of the IBC 2016 and accordingly the *Ranisagar Cement Company* should be dissolved without going through liquidation process.

21. However, it is stated that no steps have been taken by the Banks since last three dates which shows that banks are not interested in recovery of the amount. Banks are also given liberty that they can move appropriate application as and when any movable and immovable property of the Corporate Debtor comes in their notice.

22. This Adjudicating Authority has heard the submissions made by the IRP and also perused the documents submitted, reply of ROC etc. and it is of the firm view that there is a complete deadlock in the matter of removal of charge from assets and neither there is any Banks coming to make any claim nor any banks are writing to ROC regarding removal of charge on the assets created by them. In the overall assessment of the matter, we order as under:

22.1 In exercise of the powers given to this Adjudicating Authority, it is hereby ordered that the charge appearing in the records of ROC against *Ranisagar Cement Company Limited* in favour of State Bank of Hyderabad (Now SBI), SMS Highway Branch Jaipur, Bank of Rajasthan (Now ICICI Bank), Bani Park, Jaipur is directed to be removed with immediate effect.

22.2 The IRP is directed to proceed with the dissolution of the CD directly, instead of going through the route of liquidation first, and complete the

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remaining formalities of the dissolution as soon as the confirmation of removal of charge from ROC is received.

23. A copy of this Order shall be forwarded within 15 days to the concerned authorities and the Registrar of Companies having jurisdiction for further necessary action as prescribed under Law.

24. Accordingly, IA No. 455/JPR/2022 and CP No. (IB) – 56/10/JPR/2021 stand disposed off.

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DEEP CHANDRA JOSHI,
JUDICIAL MEMBER

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RAJEEV MEHROTRA,
TECHNICAL MEMBER