



**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV**

IA No. 4465/2023

Under Section 54 of Insolvency &
Bankruptcy Code, 2016

Mr. Manish Shah

Liquidator/

...Applicant

In the matter of

CP (IB) No.204/MB/C-IV/2019

Punjab National Bank

...Financial Creditor

Vs.

Poscho Steels Private Limited

...Corporate Debtor

Order Pronounced on: **13.11.2024**

Coram:

Smt. Anu Jagmohan Singh
Hon'ble Member (Technical)

Mr. Kishore Vemulapalli
Hon'ble Member (Judicial)

Appearances :

For the Applicant : Mr. T.N. Chandrasekar, Ld. Counsel for the
Liquidator present. Manish Shah Liquidator
present.



ORDER

1. This is an Application filed under Section 54(1) of the Insolvency and Bankruptcy Code, 2016 (hereinafter called 'code') on 27.09.2023 by Mr. Manish Shah, Liquidator (hereinafter referred to as the "Applicant") of the Corporate Debtor, seeking dissolution of the Corporate Debtor viz. **Poscho Steels Private Limited**.
2. **The brief facts of the application are as follows:**
 - 2.1. The Applicant submits that the CIRP was initiated against the Corporate Debtor under section 7 of IBC, 2016 vide order dated 09.07.2019. The Applicant was appointed as the IRP by the Tribunal vide order dated 09.07.2019. The Applicant was confirmed as RP by the CoC in the meeting held on 22.08.2019.
 - 2.2. The Applicant submits that he filed a Misc. Application no. 35/2020 u/s 43 and 66 of the Code for likely receivables of INR 77,67,39,210/- (Rupees Seventy seven crores sixty seven lakhs thirty nine thousand two hundred and ten only) under adjudication were categorised as Not Readily Realisable Assets (NRRRA) in terms of Regulation 37A of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. This application is being pursued by the Assignee, Scrochers Service II Private Limited for further adjudication.
 - 2.3. Based on the recommendations of the CoC, the bench was pleased to allow the commencement of liquidation proceedings and Applicant was appointed as a Liquidator vide Liquidation order dated 23.03.2021.
 - 2.4. Pursuant to the liquidation order of the Corporate Debtor, Public Announcements in Form B was published on 10.04.2021 for inviting



claims from Stakeholders and the last date of submission of claims was 12.03.2023. Claims were received before and after the last date due to Covid-19 lockdown. The Applicant received claims from various stakeholders. Accordingly, constituted Stakeholders' Consultation Committee (SCC).

- 2.5. The Applicant states that only representative of Punjab National Bank, the lone Secured Financial Creditor were present in First to Fifth SCC Meetings, Representatives of the government department and other operational creditor were not present though notice were issued to them.
- 2.6. Applicant submits that the Corporate Debtor was into trading business and did not have any tangible assets, the liquidator did not appoint any valuer during liquidation and the valuation done during CIRP was continued. Financial assets included trade receivables and negligible amount of bank balances.
- 2.7. The Applicant submits that the total current assets is INR 5556.79 lakhs including the trade receivables of INR 5556.29 lakhs and total current liabilities is INR 9212.91 lakhs. The entire receivables of INR 5556.29 lakhs were categorised as "Not Readily Realisable Assets" (NRRRA) in terms of Regulation 37A of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation, 2016 as per the decision taken during Fifth SCC meeting held on 08.03.2023. These receivables were assigned to Scrochers Services II Private Limited.
- 2.8. The Applicant submits that the Assignment Agreement was executed on 09.05.2023 in terms of which the assignment consideration will be received with a nominal front-end amount and the back-end



consideration to be distributed between the Assignee and the stakeholders. Front – end consideration was received on 11.05.2023 which is not sufficient to cover liquidation cost, no stakeholders got any distribution from the proceeds.

- 2.9. By way of additional affidavit Applicant submits that vide letter dated 31.03.2023, Punjab National Bank advised the Liquidator to take up with Adjudicating Authority for Dissolution of the Corporate Debtor.
- 2.10. The Applicant states that he opened the Bank Account in terms of the provisions of the Code and, also ensured compliances like filing TDS returns, income tax return etc. The Liquidation Account has been closed on 21.09.2023 and an audit of the receipts and payments of the liquidation account has been carried out by the Applicant.
- 2.11. The Applicant submits that he has attached Compliance Certificate in Form H under Regulations 45(3), Final Report submitted on 18.09.2023 and has also attached an Affidavit in support of the Application.
- 2.12. The Applicant submits that there are no assets of the Corporate Debtor left to be liquidated, after the assignment of the trade and other receivables.

FINDINGS

3. We have heard the Counsel appearing for the Applicant and perused the Application.
4. Before considering the merits of case, it is necessary to refer relevant provisions and rules, as available under the IBC and the Rules made

thereunder.

Section 54 of the IBC reads

“54. (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 subsection (2) shall within seven days from the date of such order, be forwarded to the authority with which the corporate debtor is registered”.

5. On examining the submissions made by the Ld. Counsel appearing for the Applicant/Liquidator and the documents annexed to the Application, it appears that the affairs of the Corporate Debtor have been wound up and there are no assets to be liquidated.
6. The above facts and circumstances indicate that due process of liquidation, as per extant provisions and in the manner indicated in the Code and Regulations, have been followed by the Liquidator in the liquidation process. The liquidation process has been duly completed as per the provisions of the Code. Thus, it would be just and equitable to dissolve the Corporate Debtor. No party is going to be adversely affected thereby. In view of the above, the Corporate Debtor deserves to be dissolved. Hence, ordered that -
 - i) **Poscho Steels Private Limited** the Corporate Debtor, is hereby **dissolved** with immediate effect;
 - ii) Assignment of receivables of INR 5556.29 Lakhs (Indian Rupees Fifty five crores fifty six lakhs twenty nine thousand only) in favour of Scorchers

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Services II Pvt. Ltd. is taken on record.

- iii) Assignment of likely receivables of INR 77,67,39,210/- (Indian Rupees seventy seven crores sixty seven lakhs thirty nine thousand two hundred and ten only) claimed and under adjudication in Application MA No. 35/2020 in favour of Scorchers Services II Private Limited is taken on record.
 - iv) The Registry is directed to forward a certified copy of this order to the Registrar of Companies, Mumbai within a period of seven days;
 - v) The Liquidator is discharged.
7. Accordingly, **IA-4465/2023** is **allowed** and disposed of. Also, **CP(IB)-204(MB)/2019** is hereby **CLOSED**. File to be consigned to records.

Sd/-

**ANU JAGMOHAN SINGH
MEMBER (TECHNICAL)**

Sd/-

**KISHORE VEMULAPALLI
MEMBER (JUDICIAL)**