



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

IA No.- 6741/2023
In
CP (IB) – 161 (PB)/2022

Order under Section 54 of the Insolvency and Bankruptcy Code, 2016.

IN THE MATTER OF:

Shakuntlam Securities Private Ltd

..... Financial Creditor

Versus

Qutab Realcon Private Limited

..... Corporate Debtor

AND IN THE MATTER OF

Dharm Vir Gupta

.... Applicant/Liquidator

ORDER PRONOUNCED ON: 12.03.2024

CORAM:

**JUSTICE RAMALINGAM SUDHAKAR
HON'BLE PRESIDENT**

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

APPEARANCES:

For the Applicant: Prachi Johri, Adv. and Abhipsa Sahu, Adv.

For the Respondent: Appearance Not Marked



ORDER

1. This Application has been filed by the Liquidator of M/s. Qutab Realcon Private Limited i.e. Corporate Debtor before this Adjudicating Authority under Section 54 of the Insolvency and Bankruptcy Code, 2016 (“IBC” or “Code”), for seeking the following reliefs:

- (i) Allow the application and pass an order for early dissolution of the Corporate Debtor under Section 54 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 14 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation, 2016.
- (ii) Take on record the present application as the Final Report for the Corporate Debtor under liquidation;
- (iii) Pass such other/ further and other reliefs as this Hon’ble National Company Law Tribunal may deem fit and proper in the facts and circumstances of the present case.

2. The Corporate Debtor namely M/s. *Qutab Realcon* Private Limited was incorporated on 06.12.1994 as a Company having CIN: U74899DL1994PTC063193 under the erstwhile Companies Act, 1956 with the Registrar of Companies, NCT of Delhi and Haryana. The Authorised Share Capital of the Corporate Debtor is Rs. 60,00,000/- (Rupees Sixty Lakh Only) and the Paid-up Share Capital of the Corporate Debtor is Rs. 57,49,690/- (Rupees Fifty-Nine Lakh Forty Nine Thousand and Six Hundred and Ninety Only).



Brief Background of the Case

3. An application under section 7 of the Insolvency and Bankruptcy Code was filed by the Financial Creditor (FC) i.e. M/s Shakuntalam Securities Private Limited hereinafter against the Corporate Debtor i.e. M/s Qutab Realcon Private limited and the said application was admitted by order dated 05.05.2022 of this Adjudicating Authority, Corporate Insolvency Resolution Process (“CIRP”) was initiated against the CD and Mr. Dharm Vir Gupta [IBBI/IPA-001/IP-P01492/2018-19/12342] was appointed as the IRP, who was later confirmed as the Resolution Professional vide order of this Adjudicating Authority.
4. It is submitted that an application was filed by the RP upon the instructions issued by the Committee of Creditors (“CoC) under section 33(2) of IBC, 2016 praying for liquidation of the CD on the ground that no resolution plan was received. Vide order dated 02.01.2023 this Adjudicating Authority ordered liquidation of the CD and appointed Mr. Dharm Vir Gupta IBBI Reg. No. IBBI/IPA-001/IP-P01492/2018-19/12342 as the Liquidator.
5. In compliance with the Regulation 12 of the IBBI (Liquidation Process) Regulations, 2016 the Liquidator issued a public announcement for:
 - a. Intimating the commencement of Liquidation against Qutab Realcon Private limited.
 - b. Calling upon the creditors of the CD to submit their claims along with the proof. The said announcement was published in the newspapers Jansappta (Hindi) and Financial Express (English) on 05.01.2023, the last date for submission of claim was 01.02.2023.
6. It is submitted that the liquidator had sent intimation letters for intimating the suspended board of directors regarding commencement of liquidation of CD, the liquidator also intimated the financial creditor (M/s



Shakuntlam Securities Private Limited) who had submitted its claim during the CIRP period regarding initiation of liquidation of CD.

7. It is submitted that the liquidator also intimated Punjab National Bank, Income Tax Department and the Registrar of Companies regarding commencement of liquidation of CD.
8. It is submitted that pursuant to public announcement dated 05.01.2023 only one claim was received from FC and after due verification, the liquidator prepared a category wise list of stakeholders in accordance with Regulation 31 of the IBBI (Liquidation Process) Regulations, 2016. The category wise list of stakeholder is extracted as under:

Category I – Unsecured Financial Creditors:

| Sr. No. | Details of Financial Creditors | Amount of claim Submitted (Rs.) | Amount of claim admitted (Rs.) | Extent to which the debts are secured or unsecured | Proof admitted or rejected in part and the proof wholly rejected |
|--------------|---------------------------------------|---------------------------------|--------------------------------|--|--|
| 1 | Shakuntlam Securities Private Limited | 1,51,05,247.00 | 1,51,05,247.00 | Unsecured | Admitted |
| Total | | 1,51,05,247.00 | 1,51,05,247.00 | | |

9. It is submitted that in accordance with Regulation 31A of the IBBI (Liquidation Process) Regulations, 2016, liquidator constituted a Stakeholder’s Consultation Committee (“SCC”) on 03.03.2023 comprising of sole unsecured financial creditor (M/s Shakuntlam Securities Private Limited). Further the liquidator also filed its Preliminary Report along



with list of stakeholders and asset memorandum, 1st, 2nd and 3rd progress report with this adjudicating authority.

10. It is submitted that in the 1st SCC meeting held on 06.01.2023 the liquidator informed that as on liquidation commencement date, apart from cash and bank balance of approximately Rs. 24,158 (Twenty-Four Thousand One Hundred and Fifty-Eight Only) and old and disputed loan in the nature of Non Readily Realizable Assets (“NRRRA”), the CD has no assets which were intended to be sold in the liquidation process. Furthermore, the SCC advised that as valuations were already conducted during the CIRP of CD and the CD being a non-operational entity since long (approximately more than four years), the fresh valuation was not required.
11. It is submitted that in the subsequent SCC meeting held on 19.05.2023 the liquidator informed the members of the SCC that the first attempt towards securing an Expression of interest (EOI) for the aforesaid NRRRA failed and the SCC authorized the liquidator to make final attempt to sell the disputed NRRRA by inviting EOI from interested bidders without fixing any reserve price. Subsequently in the final meeting of the SCC held on 27.09.2023, the SCC with 100% voting share declined the proposal of one PRA owing to no commitment by it with respect to upfront payment and decided that the assets covered under NRRRA to be written off. The SCC opined the valuation of NRRRA to be NIL, recoveries of assets under NRRRA were time barred and no recovery suit was pending in any Civil Court. The SCC advised the liquidator not to make any further attempt to sell/assign the disputed NRRRA as the estimated realizable value of assets are insufficient to cover the liquidation cost and it is only increasing the cost of liquidation. Further, the SCC advised the liquidator to apply to this Adjudicating Authority for early dissolution of the CD as per Regulation 14 of the IBBI (Liquidation Process) Regulations, 2016.



12. It is submitted that the Resolution for early dissolution of the Corporate Debtor has been approved by 100% of the members in the 3rd SCC meeting dated 27.09.2023 and the following resolution were passed:

“RESOLVED THAT *the Liquidator, in view of Regulation 14 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, is authorized to apply to the Adjudicating Authority for early dissolution of the Corporate Debtor and for necessary directions in respect of such dissolution.*

RESOLVED FURTHER THAT *in case the application for dissolution of the corporate debtor is submitted with the Adjudicating Authority, the realizable value of pending legal matters may be treated as NIL, in view of earlier valuation reports and the Liquidator shall not be required to pursue these matters after closure of liquidation proceedings.*

13. It is submitted that in accordance with Regulation 41 of the IBBI (Liquidation Process) Regulations, 2016 the liquidator for crediting all realization of assets of the CD opened bank account with the following details:

Account number: 1526002100033588

Bank: Punjab National Bank

Branch: Shakti Nagar Branch, Delhi- 110007

IFSC Code: PUNB0152600

CD had only one bank account bearing current A/c No. 152600210032792 with the Punjab National Bank with a balance of Rs. 24,158. The liquidator took steps to transfer the said amount into liquidation account bearing account no. 152600210033588 opened with Punjab National Bank and subsequently, upon remittance and instructions as per third SCC meeting held on 27.09.2023 got the said account closed on 01.12.2023.



14. The Final Report is filed as a part of the present application and a Compliance Certificate in the prescribed form, i.e. Form H has also been filed and annexed with the application as **Annexure G**.

15. Section 54 of the Code read as follows: -

“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 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.”

16. Regulation 14 of the IBBI (Liquidation Process) Regulations, 2016 read as follows:-

14. Early dissolution.

Any time after the preparation of the Preliminary Report, if it appears to the liquidator that-

- (a) the realizable properties of the corporate debtor are insufficient to cover the cost of the liquidation process; and
- (b) the affairs of the corporate debtor do not require any further investigation;

he may apply to the Adjudicating Authority for early dissolution of the corporate debtor and for necessary directions in respect of such dissolution.

17. The ultimate objective of the Code is either to resolve the issue by way of approval of Resolution Plan or to liquidate and then dissolve the CD, as expeditiously as possible. In the instant case, it is a case of liquidation to be followed by dissolution. We find that the valuation of NRRA has been



opined as NIL and the SCC has decided that the assets covered under NRRA to be written off. Apart from this CD only had cash and bank balance of approximately Rs. 24,158 (Twenty-Four Thousand One Hundred and Fifty-Eight Only) which the liquidator transferred into new bank account opened with Punjab National Bank in terms of Regulation 41 of the IBBI (Liquidation Process) Regulations, 2016. The SCC has resolved with 100% voting for early dissolution of the CD.

18. The Present Interlocutory Application appears to be bonafide and in the interest of the Corporate Debtor and to enable the Applicant to perform his duties under the Code, it is prudent to dissolve the Corporate Debtor, and it is ordered accordingly.

ORDER

Hence, IA-6741/2023 stands **allowed** and the Corporate Debtor is ordered to be dissolved.

19. The Liquidator is further directed to serve a copy of this order upon the Registrar of Companies, NCT of Delhi and Haryana, 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.
20. In compliance of Regulation 45A of the IBBI (Liquidation Process) Regulations, 2016, the Liquidator shall preserve electronic copy of all records (physical and electronic) which give a complete account of liquidation process for a minimum period of 8 years and a physical copy of records for a minimum period of three years.
21. The Liquidator shall stand discharged from his responsibilities, subject to procedural compliances. The Corporate Debtor stands dissolved from the date of this Order.



22. IA-6741/2023 and IB-161(PB)/2022 shall stand disposed of in accordance with the above directions.
23. The Registry is directed to send copies of this order to all the parties for information, for taking necessary steps and to the Insolvency and Bankruptcy Board of India (IBBI) for their record.
24. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.
25. File be consigned to the record storage current.

Sd/-
RAMALINGAM SUDHAKAR
(PRESIDENT)

Sd/-
AVINASH K. SRIVASTAVA
MEMBER (TECHNICAL)