



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH, COURT II**

**IA No. 399/2021**

**In**

**CP No. 2313/2018**

Under Sections 54 of the Insolvency & Bankruptcy Code, 2016

**Paresh Chandulal Mehta**

(Resolution Professional for

Syntel Infosystem (Nagpur) Private Limited)

**...Applicant**

**In the matter of**

**Bee Tee Credit & Marketing Private Limited**

**...Financial Creditor**

V/s

**Syntel Infosystem (Nagpur) Private Limited**

**[CIN: U72900MH2001PTC133203]**

Registered Office: Shri Krishna Bhawan Near

RamchandTolbas Shop, Itwara Nagpur,

MH 440002

**...Corporate Debtor**

**Order delivered on:11.10.2024**

***Coram:***

**Anil Raj Chellan**

**Kuldip Kumar Kareer**

**Member Technical**

**Member Judicial**

***Appearance:***

For the Appellant :- Adv. Hadwale a/w Adv. Geeta Lundwani

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**ORDER**

*Per: - Coram*

1. This is an application by the Resolution Professional of Syntel Infosystem (Nagpur) Private Limited (hereinafter referred to as the “Corporate Debtor”) under Section 54 of the Insolvency and Bankruptcy Code, 2016 (‘the Code’) seeking dissolution of the Corporate Debtor.
2. It is submitted by the counsel appearing for the Applicant that the Financial Creditors had filed an Application under Section 7 of the Code against the Corporate Debtor bearing C.P. (IB)-2313(MB)2018. The Adjudicating Authority admitted the said Application vide order dated 19.11.2019 by initiating the Corporate Insolvency Resolution Process (“CIRP”) and appointed the Applicant as Interim Resolution Professional (“IRP”), who was confirmed as Resolution Professional (hereinafter referred to as “RP”) in the 1st meeting of Committee of Creditors (“COC”) held on 17.02.2020.
3. In pursuance of the CIRP order, the IRP effected public announcement in the newspaper dated 07.01.2020 intimating the commencement of CIRP of the Corporate Debtor. In response, the IRP received only a claim from one Financial Creditor i.e. Shivam India Pvt. Ltd. and accordingly CoC was constituted.
4. In the 1st CoC meeting, it was submitted that the Corporate Debtor had ceased all operations for the past few years, and the Applicant



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was authorized to appoint registered valuers as per Regulation 27 of the CIRP Regulations.

5. The two registered valuers, Mr. Modilal Panecha and Mr. Mukesh Jain, provided valuation reports, and based on these reports, the average fair value and liquidation value as of 19.11.2019 was Rs. 16,221/-.
6. In the 3rd CoC meeting, it was submitted that there are no realizable assets remaining in the company and the company has not conducted any business since 2013. As per the last audited financials of the company for the year ending 31.03.2019, the company had a cash and bank balance of Rs. 22,541/-. As of the provisional insolvency commencement date, the company had a cash and bank balance of Rs. 18,340/- and long-term loans and advances of Rs. 5,75,00,000/-.
7. The CoC, after considering the current status and future prospects of the Corporate Debtor, decided not to invite Expressions of Interest for the revival of the Corporate Debtor and cited reasons that the Corporate Debtor has been non-operational for the past 5 to 6 years, with no assets except a small bank balance to cover Liquidation/CIRP expenses. The company is loss-making, its net worth is eroded, and it has no employees. As it is not a going concern, no resolution applicant is expected to show interest in the company.
8. In light of the above, the CoC proposed the liquidation of the Corporate Debtor and authorized the Applicant/Resolution



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Professional to file the necessary application before the Hon'ble Tribunal for the liquidation of the Corporate Debtor.

9. However, during the fourth CoC meeting held on 26.11.2020, the CoC proposed dissolution instead of liquidation, as the cash and bank balance of the Corporate Debtor was insufficient to cover CIRP expenses. After appropriating the cash and bank balance for CIRP, the Corporate Debtor would have no assets left to meet the liquidation expenses.
10. The Applicant submits that, in this case, carrying out the CIRP and/or liquidation process would not be meaningful or warranted. As of the CIRP commencement date, the Corporate Debtor had no assets except for a cash and bank balance of Rs. 18,340/-, which has been used to pay legal/valuer/IRP fees with prior approval from the CoC. There is essentially nothing left to resolve or realize, and the chances of receiving a resolution plan during CIRP or any realization during liquidation are negligible. Therefore, the Applicant humbly requests this Tribunal to favor dissolution without liquidation.
11. As per the Tribunal's order dated 08.04.2021, since this is an application for dissolution of the company without appointing a liquidator, the Tribunal found it necessary to issue notice to the RoC on the company's state of affairs.
12. The observations made by the RoC are summarized as follows:
  - A charge of Rs. 3448.65 crore exists in favour of Vistra ITCL (India) Limited (Formerly Known as IL&FS Trust Company Limited). Notice should be given to the secured creditor before dissolution.



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- If the Tribunal permits direct dissolution without liquidation, the Resolution Professional (RP) must file the Final Report and Compliance Certificate in Form H through GNL-1 for record purposes.
  - Notice should be provided to the Income Tax Department or other relevant authorities for any outstanding dues or objections before the company's dissolution.
  - The Liquidator must confirm that no cases or disputes are pending against the company.
  - Dissolution should only occur after the settlement of all claims, including statutory dues.
13. The Applicant has complied with the above directions and filed an Additional Affidavit, enclosing the following documents in line with the RoC's observations:
- Notice issued to Vistra ITCL (India) Limited (Formerly Known as IL&FS Trust Company Limited)
  - Form H and Form GNL-1 filed with RoC
  - Notice to the Income Tax Department
  - Bank Closure Certificate
14. It is observed from the above documents that though notice has been served upon Vistra ITCL (India) Limited, it has not raised any objections. The Corporate Debtor has complied with the requirements of filing Form H and Form GNL-1 with the RoC. The Applicant has also confirmed that there are no claims against the



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Corporate Debtor, except the claims from the CoC member who recommended dissolution.

15. The Applicant in support of its arguments has placed the following decisions of NCLT, wherein the Company was dissolved without undergoing the Liquidation process: -
- NCLT Bengaluru Bench order dated 16.11.2020 in the matter of Synew Steel C.P. (IB) No.96/BB/2020 & I.A No. 435/2020.
  - NCLT Chennai Bench – II order dated 11.03.2022 in the matter of Aesys Technologies India Private Limited I.A (IBC) 978(CHE)/2021
  - NCLT Kolkata Bench – I order dated 21.08.2023 in the matter of Nouvelle Advisory Services Private Limited IA (IBC)/1026(KB)/2023

**Findings**

16. We have heard the Counsel appearing for the Applicant / RP and perused the Application.
17. Before considering the merits of case, it is necessary to refer to relevant provisions and rules, as per the Code and the Regulations made thereunder.

**Section 54 of the IBC**

“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



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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".

**Regulation 14 of IBBI (Liquidation Process) Regulations, 2016:**

“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”.

**Rule 11 of NCLT Rules, 2016** confers inherent powers on NCLT, which reads as "Rule, 11- Nothing in these rules shall be deemed to limit or otherwise affect the inherent powers of the Tribunal to make such orders as may be necessary for meeting the ends of justice or to prevent abuse of the process of the Tribunal".

18. The present Application has been filed by the Applicant under Section 54 of the Code seeking direct dissolution of the Corporate Debtor without undergoing the liquidation process in ordinary course, and without strictly adhering to all the procedures stipulated under Regulation 14 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. It has been brought to the attention of this Tribunal that the Corporate Debtor possesses



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no realizable assets except an insignificant cash and bank balance. The Liquidator does not have any other funds to even cover the CIRP costs. Only a sum of Rs. 18,392 in cash and bank balance, is available, as per the financial statement for the Financial Year 2019-2020, has already been expended towards the payment of legal fees, valuer's fees, and the Interim Resolution Professional's fees.

19. It is pertinent to observe that the Applicant has filed Form H and Form GNL-1 with RoC and confirmed that there are no statutory claims. The charge of ₹3,448.65 cr. as against the shares of Shiv Vani Oil & Gas Exploration Services Limited created by the Corporate Debtor in favour of Vistra ITCL (India) Limited (Formerly Known as IL&FS Trust Company Limited) was written off by the Board of Directors in FY 2016-17 due to the suspension and delisting of the equity shares. Furthermore, the company—Shiv Vani Oil & Gas Exploration Services Limited—was ordered to be wound up by the Hon'ble High Court of New Delhi, vide its order dated July 28, 2017.
20. The Applicant has also relied upon the decision in *Unicon Vanijya Private Limited v/s Nouvelle Advisory Services Private Limited* decided on 21.08.2023 in IA(IBC)/1026(KB)2023 of CP(IB)/191(KB)2022 by NCLT, Kolkata Bench-1 wherein it was observed:

*"In many instances, including the present case, where there are no assets available for liquidation, the question of how to comply with Regulation 14 arises. Regulation 14 stipulates the requirement of early dissolution, necessitating the appointment of a liquidator, who is then required to estimate and ascertain whether any assets are available for liquidation. Only*



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*upon such certification can an application for early dissolution be filed. This creates a dichotomy. On one hand, the Corporate Debtor possesses minimal assets that may not even suffice to cover the CIRP costs, and on the other hand, the appointment of another professional for the liquidation process would result in further costs. To resolve this conundrum, it would be necessary and sufficient for the Resolution Professional (RP) to certify and declare that the Corporate Debtor has no assets, which would fulfill the requirements under Section 54(a). In such a situation, invoking Regulation 14 would be a mere academic exercise."*

21. We agree that the above decision is fully applicable to the present facts of the case. The ultimate objective of the Code is either to resolve by way of a Resolution Plan or to liquidate the Corporate Debtor, as expeditiously as possible. The facts and circumstances of the present case justify that no purpose shall be served to keep the Corporate Debtor under CIRP and/or Liquidation proceedings. The Adjudicating Authority is vested with inherent powers under Rule 11 of NCLT Rules, 2016 to pass appropriate order(s) in the interests of speedy justice.
22. In the above facts and circumstances of the case, we are of the considered view that no useful purpose would be served by placing the Corporate Debtor under the Liquidation Process which will unnecessarily increase the cost without any fruitful result. The Liquidation process under the provisions of the Code can be considered to have been carried forward and thus it would be just and proper to dissolve the Corporate Debtor, as proposed by the Resolution Professional when the members of the COC, in its commercial wisdom, has passed a resolution seeking dissolution of



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the Corporate Debtor. The instant application is filed by the Resolution Professional on the directions of the COC. In 4th meeting of the COC held on 26.11.2020, a Resolution was passed to dissolve the Corporate Debtor with 100% voting share. The extract of the discussion from the minutes of the said meeting of COC is reproduced hereunder: -

*“RESOLVED THAT pursuant to the provisions of Insolvency and Bankruptcy Code, 2016 (the "Code"), and other applicable provisions, if any, including any statutory modifications or any amendment or any substitution or re-enactment thereof, if any and subject to approval of the Hon'ble National Company Law Tribunal (NCLT), consent of the Committee of Creditors (CoC) hereby accorded to Dissolve the affairs of the company.”*

*"RESOLVED FURTHER THAT Mr. Paresh Chandulal Mehta, Resolution Professional (RP) be and is hereby authorise to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to this resolution.”*

23. In view of the above discussion, we are of the consideration that the Corporate Debtor deserves to be dissolved forthwith. It is ordered accordingly in the following terms:

**ORDER**

- i. Syntel Infosystem (Nagpur) Private Limited i.e. the Corporate Debtor is hereby dissolved with immediate effect.
- ii. The Registry is directed to forward a certified copy of this order to the Registrar of Companies, Mumbai within a period of seven days for necessary action.



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- iii. The Resolution Professional/Applicant is discharged.
- iv. IA 399 of 2021 is allowed and CP 2313 of 2018 stands closed.
- v. Files be closed and consigned

**Sd/-**

**ANIL RAJ CHELLAN  
MEMBER TECHNICAL**

**Sd/-**

**KULDIP KUMAR KAREER  
MEMBER JUDICIAL**