



S.No.2

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
09-01-2024 AT 10:30 AM**

IA (IBC) 1600/2023 in CP (IB) No. 259/7/HDB/2022
u/s. 7 of IBC, 2016

IN THE MATTER OF:

Indian Overseas Bank Asset Recovery
Management Branch

...Financial Creditor

VS

Megafin Securities Limited

...Corporate Debtor

C O R A M:-

DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)

ORDER

IA (IBC) 1600/2023

Ld. Counsel Ms. Mummaneni Vazra Laxmi present for applicant.

Order pronounced. In the result the Corporate Debtor is hereby dissolved subject to the condition mentioned in the order.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1**

**IA (IBC) 1600/2023 in
CP (IB) No. 259/7/HDB/2022**

*Under Section 54(1) of the Insolvency and Bankruptcy Code, 2016 read with Rule
11 of National Company Law Tribunal Rules, 2016.*

In the matter of M/s. Megafin Securities Limited

In the matter of

M/s Megafin Securities Limited
Rep. by its Interim Resolution Professional
Mummaneni Vazra Laxmi
IBBI/IPA-001/IP-P00919/2017-2018/11526
Flat No.205,6-3-665, Lumbini Enclave Punjagutta
Hyderabad TG 500082 IN

In the matter of

Indian Overseas Bank
Asset Recovery Management Branch,
1-8-522/27/2,3,4 3rd Floor IOB,
Platinum Plaza Opp., Chandana Bros.,
Chikkadpally Hyderabad – 500020.
Regd. Office: 6th Floor Annex Building,
763, Anna Salai Chennai – 600002
Tamil Nadu
Rep by its Chief Manager Raushan Kumar

... Financial Creditor

Vs

Megafin Securities Limited
Flat No. 205, 6-3-665, Lumbini Enclave Punjagutta
Hyderabad TS 500082 In

...Corporate Debtor

Date of Order: 09.01.2024.

CORAM:-

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA,
HON'BLE MEMBER (JUDICIAL)
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)**



Appearance:-

For the Applicant: - Smt. Mummaneni Vazra Laxmi, Counsel

PER: BENCH

1. This is an application filed by the Resolution Professional (hereinafter referred to as “Applicant”) under Section 54(1) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “the Code”) praying this Adjudicating Authority that the Corporate Debtor M/s Megafin Securities Limited is Liquidated and dissolved as per Section 33(2) and Section 54(1) of Insolvency and Bankruptcy Code, 2016 r/w Regulation 45 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 as there are no assets and business operations in the Corporate Debtor and CoC is of the opinion that to meet the liquidation costs and time is burdensome and not willing to continue the process.

2. The gist of the Application in brief:

- a. It is averred that the Corporate Debtor M/s Megafin Securities Limited is going through the Corporate Insolvency Resolution Process by orders of this Tribunal dated 11.04.2023 and appointed the applicant as the Interim Resolution Professional and the Moratorium was declared and issued Public announcement on 15.04.2023 in Financial Express English Newspaper, Mana Telangana and Prajasakthi Telugu Newspapers calling for claims.
- b. It is averred that the IRP/Applicant after verifying the claims prepared the List of Creditors as per Regulation 13 of CIRP Regulations, 2016. The following are the Creditors of the Corporate Debtor.



Sl.No.	Name of the Creditor	Amount of Claim (in Rs.)	Amount of claim admitted in Rs
1	Indian Overseas Bank	561,16,69,680.00	561,16,69,680.00
2	Indian Bank	105,07,93,640.14	105,07,93,640.14
		666,24,63,320.14	666,24,63,320.14

c. It is averred that the IRP constituted the Committee of Creditors on the basis of Claims received under section 21 of IBC, 2016 and as per Regulation 17 of CIRP Regulations, 2016. CoC is constituted as follows:

Sl.No.	Name of the Creditor	Amount of Claim (in Rs.)	% of Voting
1	Indian Overseas Bank	561,16,69,680.00	84.23
2	Indian Bank	105,07,93,640.14	15.77
		666,24,63,320.14	100

d. It is averred that IRP conducted first CoC meeting on 12.05.2023 and discussed with the members about the affairs of the Company which are follows:

- i. As per audited financials for the year 2022 the total assets are 2,00,000/- and as per provisional financials as on 11.04.2023 the assets are zero. The suspended Director informed that the Company is Corporate Guarantor to M/s Blossom Oils and Fats Limited and floated for the purpose of trading. Corporate Debtor invested in the shares of M/s Blossom Oils and Fats Limited an amount of Rs. 2,87,27,300 and due to Liquidation the share value became zero and also Corporate Debtor invested an amount of Rs.2,00,000 in the Trezer Oils Agro Tech Limited has become non-performing account therefore the share value is zero, further informed that except that investment there are no



assets in the Company and there are no operations in the Company and the registered office is also closed.

- e. It is averred that the Member of CoC discussed about the CIR process of the Corporate Debtor and opined that as there are no assets in the company to appoint valuers and issuing Invitation of Expression of Interest in Form G is cumbersome to Financial Creditors and further costs that may be incurred during the Insolvency process is burdensome.
- f. It is averred that the Members of CoC after discussing with the IRP further opined that the even if the Corporate Debtor is put into Liquidation there are no assets to Liquidate and distribute to the stakeholders and to avoid the Liquidation costs like issuing Public Announcement, Liquidator fee and other incidental expenses the better option is to dissolve the Corporate Debtor and informed the IRP that they will get their higher official approvals for dissolving the Corporate Debtor.
- g. It is averred that the IRP conducted 2nd on 14.06.2023 and kept the agenda item of Dissolution of Corporate Debtor for voting but there is no approval from the Higher Committee financial Creditors the agenda item is deferred.
- h. It is averred that the deemed Resolution Professional conducted the 3rd CoC meeting on 10.08.2023 and in that meeting Members of CoC informed that they are waiting for approval.
- i. It is averred that the Deemed Resolution Professional conducted 4th Meeting of CoC on 30.09.2023 (postponed to 07.10.2023) and in that meeting the members of CoC with 100% voting rights approved to dissolve the Corporate Debtor.



- j. It further averred that there is no chance of reviving the Corporate Debtor as there are no assets in the Corporate Debtor and there are no operations.
 - k. The CoC of the opinion that the even if the Corporate Debtor is into liquidation there are no assets to liquidate and distribute to the stakeholders and to avoid the liquidation costs the better option is to dissolve the Corporate Debtor. Therefore, the present application is filed before this Tribunal to seek order for Liquidation and dissolution of the Corporate Debtor under section 33 and 54 of the Code.
3. In the light of above facts and circumstances of the case, the only point that emerges for consideration of the Tribunal is
- Whether the Corporate Debtor can be dissolved?
4. We have heard the Learned Counsel for the Resolution Professional and also perused the record.
 5. At the outset it may be stated that Section 54 of the IBC lays down the criteria for dissolution of the Corporate Debtor.
Section 54, IBC 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.

6. Regulation 45 of Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016 reads as under:-

Regulation 45: Final report prior to dissolution.

(1) When the corporate debtor is liquidated, the liquidator shall make an account of the liquidation, showing how it has been conducted and how the corporate debtor's assets have been liquidated.

(2) If the liquidation cost exceeds the estimated liquidation cost provided in the Preliminary Report, the liquidator shall explain the reasons for the same.

(3) The liquidator shall submit an application along with the final report and the compliance certificate in form H to the Adjudicating Authority for – (a) closure of the liquidation process of the corporate debtor where the corporate debtor is sold as a going concern; or (b) for the dissolution of the corporate debtor, in cases not covered under clause (a).]

7. We are satisfied that the criteria laid down under law has been fully complied with in this case. Since CoC in its meeting has taken a decision with 100% voting to dissolve the Corporate Debtor without going for Liquidation in view of Corporate Debtor having no assets to liquidate, the Corporate Debtor can be ordered to be dissolved. Hence, we hereby order dissolution of the Corporate Debtor as under:-

- (i) The Corporate Debtor/M/s Megafin Securities Limited stands dissolved from the date of this Order, in terms of Section 54(1) of IBC, 2016, and the Liquidator stands relieved.



- (ii) The Liquidator is directed to send the copy of this Order within 7 days from the date of pronouncement to the Registrar of Companies, Hyderabad.
- (iii) Upon dissolution of the Corporate Debtor, the records of the Company which are in possession of the Liquidator, be handed over by the Liquidator to the IBBI.
- (iv) The Registry is also directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data.
- (v) A copy of this order be also forwarded to the Insolvency & Bankruptcy Board of India, New Delhi.
- (vi) In terms of the above, IA (IBC) 1600 of 2023 filed by the Liquidator appointed for M/s Megafin Securities Limited (Corporate Debtor) for dissolution of the Company under Section 54 (1) of IBC, 2016 stands disposed of accordingly. Since the Corporate Debtor stood dissolved vide this order and no proceedings are now pending, therefore, the Registry is directed to consign the file to records.

Sd/-

Charan Singh
Member Technical

Sd/-

Dr. Venkata Ramakrishna Badarinath Nandula
Member Judicial

Swapna