



SL. No.4

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO: II**

Hearing Through: VC and Physical (Hybrid) Mode

CORAM: SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (J)

CORAM: SHRI. SANJAY PURI, - HON'BLE MEMBER (T)

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 06.06.2024 AT 10:30 AM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO	IA(IBC) (Dis) /03/2024 in Company Petition IB/160/2022
NAME OF THE COMPANY	Shresht Industries Pvt Ltd
NAME OF THE PETITIONER(S)	Canara Bank
NAME OF THE RESPONDENT(S)	Shresht Industries Pvt Ltd
UNDER SECTION	7 of IBC

ORDER

IA(IBC) (Dis) /03/2024

Orders pronounced, recorded vide separate sheets. In the result, this application for dissolution is allowed.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)



IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH - II, HYDERABAD

I.A. No. 3 of 2024 in
C.P. (IB) No. 160/7/HDB/2022
U/S. 54(1) of the IB Code, 2016

Mr. Narender Gandhari,
Liquidator of M/s. Shresht Industries Private Limited,
403, Naina Residency, Srinivasa Nagar (East),
Ameerpet,
Hyderabad – 500 038.

.... Applicant/Liquidator

In the matter of:

Canara Bank

.... Financial Creditor

Vs.

M/s. Shresht Industries Private Limited,
8-2-293/82/A/727,
Plot No.727, Road No.36,
Jubilee Hills,
Hyderabad – 500 033.

.... Corporate Debtor

Date of Order: 06.06.2024

Coram:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)
Sri Sanjay Puri, Hon'ble Member (Technical)

Counsel present:

For the Applicant : Mr. Manav Gecil Thomas, Advocate

Heard on : 26.04.2024



Per : Bench

ORDER

1. This Application is filed by the Liquidator of the Corporate Debtor (**CD**) M/s. Shresht Industries Private Limited under Section 54(1) of the Insolvency & Bankruptcy Code, 2016 r/w Regulation 45(3) of Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016, seeking for early dissolution of the CD on the following reasons:

- That the CD has not been co-operating with the CIRP/Liquidation process.
- That there are no fixed assets in the books of the company except two cars which were funded by Central Bank of India and Kotak Mahindra Prime Ltd and the said vehicles were hypothecated to them.
- That there is no clearly visible business model which can be offered to a Prospective Resolution Applicant/Buyer.
- That the Liquidator was unable to prepare the Information Memorandum, issue the Expression of Interest and RFRP due to lack of information during CIRP process.

Brief facts of the Application:

2. It is submitted that, upon the admission of the Corporate Debtor (CD) into the Corporate Insolvency Resolution Process (CIRP) by this Tribunal, due to lack of cooperation from the Suspended



Directors¹ of the CD during the CIRP, the Committee of Creditors (CoC) resolved in its meeting held on 22.09.2023, to initiate the liquidation process against the CD.

3. The CoC further recommended the appointment of the Applicant RP as the Liquidator, with a proposed fee of Rs 1.00 lakh plus GST per month, along with reimbursement of travel, stay, and other related expenses during the liquidation period. Subsequently, the CD was admitted into liquidation vide this Tribunal's Order² dated 08.12.2023, appointing the Applicant as the Liquidator. Following this, the Liquidator issued a public announcement in Form-B³ on 13.12.2023, inviting claims from the creditors of the CD.
4. It is submitted that, as per the audited financial statements, the Tangible Assets value is Rs 76.10 lakhs as on 31.03.2019 (out of which, the vehicles value is Rs 74.12 lakhs) and the Current Assets value is Rs 2,738.83.

5. **Claims of the CD:**

S.No.	Name of the stakeholder	Claims received Rs	Claims admitted Rs
01	Canara Bank – Secured Financial Creditor	32,78,69,118	32,78,69,118
02	Kotak Mahindra – Secured Financial Creditor	47,17,239	47,17,239

¹ Vide order dated 24.04.2023 in IA No. 1337/2023, the Suspended Directors were directed to cooperate with the IRP. Noncompliance of this order led to filing of Contempt Petition No. 14/2023 against the Suspended Directors, who continued to shun the proceedings, and were set ex-parte vide Order of this Tribunal dated 30.04.2024. The contempt petition No. 14/2023 is pending adjudication

² Pg 23-32 of the application.

³ Pg 33-34 of the application.



03	Commercial Tax Dept – Operational Creditor	12,60,51,413	12,60,51,413
04	Provident Fund Dept – Operational Creditor	4,25,21,530	4,19,75,796
Total :		50,11,59,300	50,06,13,566
05	CIRP cost	19,39,172	
06	Liquidation cost	6,19,088	

6. It is averred that, as the value of the assets to be realized is going to be less than the Liquidation Process Expenses and certainty of vehicles traceable is remote, the Stakeholders Consultation Committee (SCC) in its meeting⁴ held on 05.02.2024 approved for early dissolution of the CD.
7. The Applicant Liquidator submits that, the following reports have been filed before this Tribunal under Regulation 45(3) of Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- Preliminary Report
 - Asset Memorandum
 - Progress Reports
 - List of Stakeholders
 - Final Report⁵
 - Form-H Compliance Certificate⁶
8. Given the aforementioned facts, the Liquidator requests the Tribunal to order the early dissolution of the Corporate Debtor Company.

⁴ Pg 79-100 of the application (SCC approved for early dissolution - in page 87).

⁵ 124-125 of the application.

⁶ 126-129 of the application.



Decision on the Application:

9. We have perused the contents of the Application and heard the Counsel appearing for the Liquidator. At the outset, it may be stated that Vide order dated 24.04.2023 in IA No. 1337/2023, the Suspended Directors were directed to cooperate with the IRP. Noncompliance of this order led to filing of Contempt Petition No. 14/2023 against the Suspended Directors, who continued to shun the proceedings, and were set *ex-parte* vide Order of this Tribunal dated 30.04.2024. The contempt petition No. 14/2023 is pending adjudication.
10. Coming to Section 54 of the IBC which lays down the criteria for dissolution of the Corporate Debtor,

“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”.*

11. 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).”.*
12. We are satisfied that the criteria laid down under law has been fully complied with. As such, the Corporate Debtor is liable to be dissolved. Hence, we hereby order dissolution of the Corporate Debtor as under:-
- a. The **Corporate Debtor M/s. Shresht Industries Private Limited** stands dissolved from the date of this Order, in terms of Section 54(2) of IBC, 2016, and the Liquidator stands relieved.
- b. 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.
- c. 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.

- d. The Registry is also directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data.
- e. A copy of this order be also forwarded to the Insolvency & Bankruptcy Board of India, New Delhi.
- f. In terms of the above, this application filed for dissolution of the Company under Section 54(2) 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/-
(SANJAY PURI)
MEMBER (TECHNICAL)

Sd/-
(RAJEEV BHARDWAJ)
MEMBER (JUDICIAL)

VL