

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENGALURU BENCH**

C.P. (IB)No.9/BB/2017  
U/s.7 of IBC, 2016  
R/w Rule 4 of I&B (AAA) Rules, 2016  
**And**  
I.A No.296/2020  
U/s. 54 of the IBC, 2016  
R/w Rule 14 of the IBBI (Liquidation Process)  
Regulation, 2016

**In the matter of:**

Liquid Space Entertainment Private Limited  
*Under Liquidation*  
*Rep. by Shri Thirupal Gorige, Liquidator*

No.744/95-96, Gajendra Nagar,  
Anepalya Main Road, Adugodi Post,  
Bengaluru - 560 030

- Applicant

**Date of Order: 21<sup>st</sup> September, 2020**

**Coram:** 1. Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)  
2. Hon'ble Shri Ashutosh Chandra, Member (Technical)

**Parties/Counsels Present, through Video Conference:**

For the Applicant : Shri Thirupal Gorige, Liquidator

**ORDER****Per:** Rajeswara Rao Vittanala, Member (J)

1. I.A.No.296/2020 in C.P.(IB)No.9/BB/2017 is filed by Liquid Space Entertainment Private Limited (Applicant), U/s. 54 of the IBC, 2016, R/w Rule 14 of the IBBI (Liquidation Process) Regulation, 2016, by *inter alia* seeking to dissolve the Corporate Debtor (M/s. Liquid Space Entertainment Private Limited).




2. Brief facts of the case, which are relevant to the instant case, are as follows:

- (1) Initially, C.P.(IB)No.9/BB/2017 was filed by IDAC Solutions Private Limited & Anr. (Petitioners), U/s. 7 of IBC, 2016 was admitted by the Adjudicating Authority by an Order dated 29.11.2018, by initiating CIRP in respect of the Corporate Debtor; appointing the Applicant as IRP, imposing moratorium etc. Subsequently, the Corporate Debtor was placed, under Liquidation vide an Order dated 30.04.2019, passed in I.A No.189/2019. Accordingly, he made public announcement as per Regulation 12 of I&B (Liquidation Process) Regulation, 2016 in 'The Hindu' (English Newspaper and 'Udayavani' (Kannada Newspaper) on 3.5.2019, by calling upon the Creditors of CD to submit claims with relevant proof on or before 30.05.2019.
- (2) The Liquidator received claims from creditors for Rs.7,15,33,829.60/- and the same was admitted by the Liquidator. Due to insufficiently of amount, the public announcement as per Regulation 12(3) could not be made and obtained valuation of asset of including taken over by the Secured Creditor U/s.52, from two registered valuers.
- (3) The Corporate Debtor had only two assets i.e., Motor Vehicle (Secured Assets) and Cash at Bank, as on the liquidation commencement date. The Motor Vehicle, Mahindra XUV 500 bearing the registration number KA03 MU 0169 was hypothecated with HDFC Bank. The Bank made a request to liquidator vide its letter dated 04.06.2019, to hand over the possession of the hypothecated vehicle. Hence, the liquidator vide letter dated 10.06.2019, handed over said vehicle together with the documents pertaining to the vehicle for realization of amount due to the Bank. Subsequently, the same was realized by the

*Vijendra*



Bank on its own via auction. Due to insufficient amount for meeting expenses of liquidation, hence there was no distribution made to the stakeholders. Subsequently, the Bank Account of the Corporate Debtor was closed on 3<sup>rd</sup> July, 2020.

(4) Accordingly, the Liquidator of the Applicant Company has filed a Final Report of the Liquidation, dated 10.07.2020, by inter-alia stating as follows:

a. Statement of Account maintained by the Liquidator of Liquid Space Entertainment Private Limited (in Liquidation) for the period from 30.04.2019 to 31.03.2020.

Receipts	Current Year (Amount in Rs.)	Payments	Current year (Amount in Rs.)
<b>Opening Balances</b>	-	<b>Expenses &amp; Payments</b>	
Cash in hand	-	Payment for Valuation Reports	-
Bank balances	-	GST Payment	0
Account No.026905002313*	1,32,431.03	Payment to Auditor	-
<b>Receipts from sale of scrap</b>	2,600	Newspaper Advertisement	47,066
		Payment to CBDT	-
		Rent Expense	4000
		Payment to Liquidator	0
		Bank Charges	2536.94
		Payment to HDFC Bank Limited	17,451
		Closing Balances	-
		Cash in hand	-
		Bank balances	-
		Account No.026905002313*	63,977.09
<b>Total</b>	<b>1,35,031.03</b>	<b>Total</b>	<b>1,35,031.03</b>



\*Excluding Rs.2,00,000/- and Rs.1,70,265 wrong credited/debt to the Corporate Debtor's Account.


3. Heard Shri Thirupal Gorige, Liquidator, **through Video Conference.** We have carefully perused the pleadings of the party along with extant provisions of the Code, and the Rules made thereunder.

4. Before considering the merits of case, it is necessary to refer relevant provisions and rules, as available under the Code and the Rules made thereunder.

**Section 54 of the Code reads as** (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".

**Rule 14 of IBBI (Liquidation Process) Regulations, 2016 reads as**  
**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".

5. In terms of Section 60 of Code, the Adjudicating Authority shall be NCLT having territorial jurisdiction over the place, where the

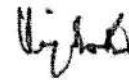


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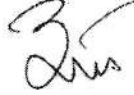
registered office of corporate persons is located. By conjointly reading the above provisions, the ultimate objective of Code is either to resolve the issue by way of Resolution Plan or to dissolve the Corporate Debtor, as expeditiously as possible. If the facts and circumstances of a case, justify there would not serve any purpose to keep the Corporate Debtor under regular CIRP proceedings, and thereafter under Liquidation proceedings, under the provisions of Code, the Adjudicating Authority, by exercising its inherent powers conferred under the Act, can pass appropriate order(s) in the interest of speedy justice.

6. In view of the foregoing and also since the Assets of Company were realized, the liquidation process under the provisions of Code is deemed to have been completed under Chapter III of Part II of Code, and thus it would be just and proper for the Adjudicating Authority to dissolve the Company, as stated by the Liquidator. The instant Application is filed in accordance with law to dissolve the Corporate Debtor, as detailed supra.
7. In the result, by exercising powers conferred on the Adjudicating Authority, under Section 54 and other connected Provisions of Code, and the Rules made thereunder, both C.P.(IB)No.9/BB/2017 and I.A.No.296/2020, are hereby disposed of with the following directions:
  - (1) It is hereby dissolved the Applicant Company, Liquid Space Entertainment Private Limited., with immediate effect.
  - (2) The Registry is directed to forward a copy of this Order to the Registrar of Companies, Karnataka, Bengaluru, expeditiously.
  - (3) The Liquidator is also directed to forward copies of this Order to all other Statutory Authorities including IBBI, connected with the affairs of the Company.



(4) Personal liability/Guarantee of any Director/Promoter of the Corporate Company, if any, would not absolve them by virtue of this order. Aggrieved party/Parties are liberty to continue or to take appropriate legal course of action against them.

(5) No order as to costs.

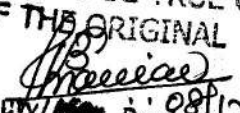


**(ASHUTOSH CHANDRA)**  
**MEMBER, TECHNICAL**



**(RAJESWARA RAO VITTANALA)**  
**MEMBER, JUDICIAL**



CERTIFIED TO BE TRUE COPY  
OF THE ORIGINAL  
  
for Deputy Registrar  
National Company Law Tribunal  
Bengaluru Bench  
Rajeshwari.M