

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI
COURT - IV

I.A. (DIS.) No. 28 of 2024

IN

C.P. (IB) No. 302/MB/2021

*[Under Section 54 of the Insolvency and
Bankruptcy Code, 2016.]*

In the matter of:

Mr. Navin Khandelwal

...Applicant /Resolution Professional

In the matter of

Pradhvi Multitrade Private Limited

...Operational Creditor

Vs.

Nano Minpro Private Limited

...Corporate Debtor

Pronounced: 07.05.2026

CORAM:

SHRI ANIL RAJ CHELLAN
HON'BLE MEMBER (TECHNICAL)

SHRI K. R. SAJI KUMAR
HON'BLE MEMBER (JUDICIAL)

Appearances* : *Hybrid

For Applicant : Mr. Navin Khandelwal (RP)

ORDER

1. The present Application is filed under Section 54(1) of the Insolvency and Bankruptcy Code, 2016 (Code) by Mr. Navin Khandelwal, the Resolution Professional (Applicant) of Nano Minpro Private Limited (Corporate Debtor),

seeking direct dissolution of the Corporate Debtor.

2. **Brief Facts**

- 2.1. The Corporate Insolvency Resolution Process (CIRP) in respect of the Corporate Debtor was initiated on an application filed by Pradhvi Multitrade Private Limited under Section 9 of the Code, by this Adjudicating Authority *vide* order dated 12.04.2023, whereby the Applicant was appointed as the Interim Resolution Professional (IRP) and was subsequently confirmed as the Resolution Professional (RP).
- 2.2. The IRP made public announcement and, upon collation of claims, constituted the Committee of Creditors (CoC), comprising a sole member, namely, Pradhvi Multitrade Private Limited.
- 2.3. The Applicant submits that the business operations of the Corporate Debtor have been completely shut down for the past three years and that the Corporate Debtor presently does not possess any physical assets. It is further submitted that the Corporate Debtor maintained a bank account with Axis Bank, Mulund West Branch, bearing A/c No. 912020042895031, with a balance of Rs. 11,471.35, and another account with Axis Bank, Vijay Nagar Branch, Indore, Madhya Pradesh, bearing A/c No. 923020041172991, which has a *nil* balance.
- 2.4. The Applicant submits that Form G was published on 23.06.2023. Pursuant thereto, Nakshatra Corporate Advisors Limited submitted an Expression of Interest (EOI); however, neither any Resolution Plan was received within the stipulated time, nor was any request made for extension of time.
- 2.5. In the 7th meeting of the CoC held on 05.12.2023, the RP informed the CoC that, as per the draft valuation reports received from both registered valuers, the fair value and liquidation value of the assets of the Corporate Debtor were assessed at Rs. 11,471/-, comprising only the cash and bank balance. After deliberations, the sole CoC member advised against reissuing Form G, given

that the Corporate Debtor had no realisable assets, as per the valuation reports.

- 2.6. In the said 7th CoC meeting, the sole CoC member, with 100% voting share, resolved to approve the direct dissolution of the Corporate Debtor on account of the absence of assets for distribution. The relevant extract of the resolution is reproduced below:

“RESOLVED THAT the Committee of Creditors of Nano Minpro Private Limited under CIRP be and hereby recommend/approve that the Corporate Debtor is to be dissolved as per the Section 54 of the Insolvency & Bankruptcy 2016 since there were no assets in the corporate debtor and authorized the RP Shri Navin Khandelwal to move an application for dissolution of the Corporate Debtor before the Adjudicating Authority after engaging professional as per section 54 of the Code 2016.”

- 2.7. Thereafter, the RP filed an application under Section 54 of the Code seeking dissolution of the Corporate Debtor. However, the said application was dismissed by the Adjudicating Authority in view of the contradictory resolutions passed by the CoC, as recorded below:

“The Bench notes that the Committee of Creditors (CoC) passed resolutions in its meeting held on 07.12.2023. In one resolution they have passed for ‘dissolution of the Company’ and in another resolution they have passed for ‘liquidation of the Company’ with 100% voting of the CoC members. Counsel for the RP submits that in view of the contradictory resolutions of the CoC, clarification is needed from the CoC and hence wishes to withdraw the Application. Permission granted.”

- 2.8. Subsequently, the RP convened the 8th CoC meeting on 13.03.2024 to seek clarification regarding the course of action, whether liquidation or dissolution of the Corporate Debtor. In the said meeting, the sole CoC member resolved to proceed with the dissolution of the Corporate Debtor under Section 54 of the Code. It was further clarified as follows:

“Further the CoC member also said that earlier the decision related to liquidation was taken saying that “recommend the liquidation if dissolution is not possible” because at that time we are not clear whether direct dissolution is possible or not hence both the decision were taken. However, our opinion is clear that we want to proceed for dissolution of the Corporate Debtor.”

- 2.9. The Applicant submits that the Corporate Debtor does not own any assets, no distribution has been made to the creditors, and the CIRP costs remain unpaid. There have been no receipts or payments since the commencement of CIRP. The Applicant has also obtained a certificate from Sanyam Dakh & Associates, Chartered Accountants, certifying that there were *nil* receipts and payments during the period from 12.04.2023 to 10.01.2024.
- 2.10. In view of the above, and considering that the Corporate Debtor has no assets and to avoid incurring further CIRP or liquidation costs, and in accordance with the CoC's resolution passed with 100% voting share, the Applicant seeks dissolution of the Corporate Debtor.

3. **Analysis and Findings**

- 3.1. We have heard the Ld. Counsel appearing for the Applicant and perused the Application and the documents on record.
- 3.2. The CIRP of the Corporate Debtor was initiated at the instance of the Operational Creditor. While admitting the application, the Tribunal noted that no proof of receipt of goods by the Corporate Debtor has been filed, and no acknowledgment of any liability arising from the supply of goods. Subsequently, the IRP admitted the Operational Creditor as the only member of the CoC. Though there is an open charge on book debts in favour of Punjab National Bank, no claim was filed by it. Pursuant to the constitution of the CoC, eight CoC meetings were convened. But instead of taking steps to explore possible resolutions, the CoC passed a resolution for the dissolution of the Corporate Debtor without undergoing the liquidation process under the IBC.

- 3.3. Before considering the merits of the case, it is necessary to refer to the relevant provisions contained in Section 54 of the IBC, which reads as under:

“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 subsection (2) shall within seven days from the date of such order, be forwarded to the authority with which the corporate debtor is registered”. (Emphasis added)

- 3.4. A plain reading of Section 54 makes it clear that an application for dissolution of the Corporate Debtor is to be filed by the Liquidator and not by the IRP/RP of the Corporate Debtor. Further, the application for dissolution is to be filed after the assets of the Corporate Debtor have been completely liquidated. In other words, an application for dissolution of the Corporate Debtor can only be made after the CIRP and liquidation processes, once the Corporate Debtor's assets have been fully liquidated. The present Application is filed by the RP based on the Resolution passed by the CoC, on the ground that the Corporate Debtor has no assets.

- 3.5. It is pertinent to note that the objective of IBC is insolvency resolution of corporate persons in a time-bound manner. In the event that the resolution of the corporate debtor is not possible, liquidation is ordered as a last resort. This, however, does not imply that the provisions of the Code can be used for the purpose of directly dissolving the Corporate Debtor, without undergoing the due process of liquidation. If the initiation of CIRP is not for resolution but for the dissolution of a corporate entity, alternative legal modes exist that specifically govern the winding-up process. The objectives of the Code are for

resolution and not for winding up the company. Further, there is no provision for the direct dissolution of a corporate debtor without undergoing the CIRP and liquidation process. Furthermore, the Applicant has not satisfactorily demonstrated the necessity for the exercise of the Tribunal's inherent powers to meet the ends of justice. In any case, inherent powers under Rule 11 of the National Company Law Rules, 2016 (NCLT Rules) cannot be exercised by the Adjudicating Authority against the mandatory provisions of Chapters II and III of Part II of the IBC.

4. Rule 11 of the NCLT Rules states as under:

“11. Inherent Powers – 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”.

- 4.1. Given the circumstances, we are of the considered view that the Application is devoid of merit and liable to be dismissed. Accordingly, **IA (DIS.) No. 28 of 2024 is dismissed**. However, the Tribunal is satisfied that the proceedings were initiated for a purpose other than the resolution of the Corporate Debtor, and that the continuation of the proceedings will not serve any purpose. In the circumstances, we order the termination of the CIRP and discharge the Applicant from the responsibilities as the RP of the Corporate Debtor. Accordingly, **the CP No. 302/2021 is dismissed** and closed to avoid abuse of the process under the Code. File be consigned to records.
- 4.2. The Registrar is directed to forward an electronic version of this Order to the Insolvency and Bankruptcy Board of India for information and record.

Sd/-

ANIL RAJ CHELLAN
MEMBER (TECHNICAL)

Siddhi, LRA

Sd/-

K. R. SAJI KUMAR
MEMBER (JUDICIAL)