

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

PHYSICAL HEARING

**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 15.09.2023, At 10:30 AM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA (IBC)/1394/2023 in CP (IB) No.388/9/HDB/2019
NAME OF THE COMPANY	Royaloak Steels Pvt Ltd
NAME OF THE PETITIONER(S)	Aadit Metal Trade Pvt Ltd
NAME OF THE RESPONDENT(S)	Royaloak Steels Pvt Ltd
UNDER SECTION	9 of IBC

ORDER

IA (IBC)/1394/2023

Present: Ld. Counsel Ms. Sarvani Desiraju for the Applicant.

Orders pronounced, recorded vide separate sheets. In the result, this IA 1394 of 2023 is disposed of.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

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

**I.A. No. 1394/2023 in
C.P. (IB) No. 388/9/HDB/2019
U/S. 54(1) of the IB Code, 2016**

In the matter of

M/S. ROYALOK STEELS PRIVATE LIMITED

Mr. Rajkumar Mahto,
Liquidator of M/s. Royaloak Steels Pvt. Ltd,
406 B, South East,
United Avenue Apartments, Ameerpet,
Hyderabad.

.... Applicant/Liquidator

Between:

M/s. Aadit Metal Trade Private Limited

.... Operational Creditor

Vs.

M/s. Royaloak Steels Private Limited

.... Corporate Debtor

Date of Order: 15.09.2023

Coram:

Hon'ble Sri Rajeev Bhardwaj, Member (Judicial)

Hon'ble Sri Sanjay Puri, Member (Technical)

Counsel present:

For the Applicant : Ms. Sarvani Desiraj, Advocate

Heard on : 28.08.2023

Per : Bench

O R D E R

1. This application is filed by the Liquidator of the Corporate Debtor M/s. Royaloak Steels 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 dissolution of the Corporate Debtor (CD).

Facts of the Case:

2. The Corporate Insolvency Resolution Process (CIRP) was initiated against the CD by virtue of the order of this Tribunal dated 15.10.2019 and the Applicant was appointed as Interim Resolution Professional (IRP) and later he was confirmed as Resolution Professional (RP) by the Committee of Creditors (CoC). The CoC in its meeting held on 24.07.2020 decided to liquidate the CD and accordingly, an application for liquidation was filed and the same was allowed by this Tribunal vide Order dated 22.01.2021 appointing the Applicant as Liquidator.
3. Pursuant to his appointment, the Liquidator made a public announcement on 24.03.2021 in Form-B, inviting claims from the Stakeholders of the Company and on receipt of claims from NKGSB Co-Op Bank Limited (Sole Financial Creditor) and from M/s. Aadit Metals Trade Pvt. Ltd, (Operational Creditor herein), as per Regulation 31A, the Liquidator constituted the Stakeholders Consultation Committee (SCC) with NKGSB Co-Op Bank Limited & M/s. Aadit Metals Trade Pvt. Ltd. The Liquidator conducted five SCC meetings i.e. on 04.06.2021, 01.07.2021, 19.08.2022, 10.10.2022 & 28.02.2023.
4. The Applicant Liquidator states that, NKGSB Co-Op Bank who had charge on the CD's asset had not lodged its claim during CIRP even after communication, but has filed its claim during liquidation and decided

not to relinquish the asset Motor Vehicle – BMW 520D, Luxury line worth Rs.23,90,297/-, hence, the same was handed over to the Financial Creditor, NKGSB Co-Op Bank under panchanama dated 29.07.2022.

5. Further submits that after the due date of public announcement, two claims were received from the Dy. Commissioner of Sales Tax, Government of Maharashtra and from the Income Tax Department which were disregarded with an intimation to the Income Tax Department and against which, they have not filed any application before this Tribunal.
6. It is averred that the Liquidator requested the Bankers to close the accounts of the CD and the Bank of Baroda closed the Liquidation Account. The Liquidator received Rs.5,05,000/- from the FC being CIRP cost and liquidation cost and out of which, he met the Liquidation costs and Liquidator fee.
7. The Applicant Liquidator submits that the following reports have been filed before this Tribunal during the liquidation process:

Report certifying the constitution of Stakeholders Consultation Committee, Preliminary Report, Progress Reports, Asset Memorandum, List of Stakeholders (Annexure 21 to 25 of the Liquidator's Report).

Compliance Certificate in Form-H and Final Report under Regulation 45(3) of Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (Annexure 31 & 32 of the Liquidator's Report).
8. The Applicant Liquidator states that as on the date of filing of this application, there is no application before this Tribunal or Hon'ble Appellate Tribunal for adjudication and there being no movable/immovable assets in the CD and there were no interested parties for the assignment of NRRA, no realization was made and hence distribution cannot be effected to the stakeholders. Assets to be sold is

motor vehicle BMW model 520D on which NKGSB Co-Op Bank Limited has exclusive charge who has decided to realize asset outside liquidation and thus the car was handed over to NKGSB Co-Op. Bank Limited under panchanama. The other financial asset standing on the books has already been sent legal notice for recovery from debtors. However, as no response or recovery was forthcoming, these receivables were dealt with in terms of Section 37A of the Regulations.

9. That on the basis of no available asset for sale, the liquidation of the affairs of the Corporate Debtor has been fully complete and the liquidation value is not sufficient enough to be distributed under Section 53 of the IBC, 2016. Since the Corporate Debtor is not operational and there is no Employee's left in the Company, hence, no claim lies. Further equity shareholder has not filed its claim.
10. Hence, prayed this Tribunal to order dissolution of the Corporate Debtor Company.

Decision on the Application:

11. We have perused the contents of the application and heard the counsel appearing for the Liquidator.
12. 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 - 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”.

13. 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).]”.*

14. 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. Royaloak Steels 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, IA No.1394 of 2023 filed by the Liquidator appointed for M/s. Royaloak Steels Private Limited (Corporate Debtor) 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)

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