THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH
AT NEW DELHI

IA. 3246/PB/2021
IN
Company Petition No. 1739 (PB) /2018

In the matter of:

Jammu & Kashmir Bank ....Financial Creditor

Vs.

M/s Ajaz Nanda Designs Private Limited

...Corporate Debtor

Under Section 54 of the IBC, 2016.

Order Pronounced on: 07.12.2021

Coram:
DR. DEEPTI MUKESH, MEMBER (JUDICIAL)
SHRI. HEMANT KUMAR SARANGI, MEMBER (TECHNICAL)

PRESENT
For the Liquidator : Mr. Ashutosh Kumar, Advocate

ORDER

Per-Dr. Deepti Mukesh, Member (Judicial)

1. The present application is filed by applicant/liquidator of the M/s Ajaz Nanda Designs Private Limited, Corporate Debtor, under Section 54 of the Insolvency and Bankruptcy Code, 2016, (hereinafter referred as "the Code") read with

Regulation 14 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (hereinafter referred as "Regulations) for early dissolution of the corporate debtor.

2. Brief facts of the present case is that the sole financial creditor, Jammu & Kashmir Bank filed application under Section 7 of the Code, for initiation of Corporate Insolvency Resolution Process (CIRP) against Corporate Debtor. The application was allowed and CIRP was initiated vide order dated 21.05.2019 and applicant was appointed as Resolution Professional of the corporate debtor.

3. Thereafter the resolution professional started the process, and the CoC was constituted with the sole financial creditor. It is stated that since beginning the ex-directors of the corporate debtor did not co-operate~~d~~ with the applicant and an application under Section 19(2) was also filed by applicant in this regard, in which bailable warrants were issued but that could not be served as the ex-directors shifted to Dubai.

4. It is submitted in the application that in absence of any asset and records of the corporate debtor, the CIRP could not be taken ahead, and hence it was unanimously resolved to liquidate the Corporate debtor in meeting held on 10.02.2020 and application for liquidation was allowed vide order dated 22.12.2020, appointing applicant as liquidator of the corporate debtor.

5. It is submitted that due to lack of any records, such as books of account, financial statements, details of assets etc. and absence of any personnel of the corporate debtor, it was virtually impossible for the applicant to take process of liquidation ahead. The sole financial creditor has already invoked the securities of personal/corporate guarantors.

6. It is stated that forensic audit is also not possible in absence of any records/documents of the corporate debtor, the applicant has placed reliance of the order passed by Bangalore Bench in I.A. No. 435/ 2020 in C.P. (IB) No. 96/ BB/ 2020, in which it was observed that:

   "...the ultimate objective of the Code is either to resolve the issue by way of a Resolution Plan or to dissolve the Corporate Debtor, as expeditiously as possible. If the

facts and circumstances of a case justify that no purpose would be served to keep the Corporate Debtor under regular CIRP proceedings, and thereafter under Liquidation proceedings, under the provisions of the Code, the Adjudicating Authority, by exercising its inherent powers conferred under the Act, may pass appropriate order(s) in the interest of speedy justice."

7. Early dissolution of corporate debtor is provided under Regulation 14 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, which provides as below:

> *"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."

8. The applicant also stated in the application that the further CIRP costs is NIL in the present matter.

9. In the light of the aforementioned facts, it is noticed that since there is no possibility to continue the liquidation process of the corporate debtor in absence of any assets/documents/records and personnel of the corporate debtor. The present case fits in the provisions of Sec 54 of IBC read with Rule 14 of Liquidation Regulations and it is just and equitable to allow the prayer of the applicant.

10. As a consequence, through this Order it is hereby declared that not only it is just and equitable but because of the fact that no asset is available for the purpose of 'Liquidation', this is a fit case for order of dissolution. The corporate debtor M/s Ajaz Nanda Designs Private Limited, stands 'Dissolved' from the date of this Order.

11. Since the Company stands Dissolved vide this order and no proceedings are now pending, therefore the Registry is directed that the case file of proceedings be closed and be consigned to records.

12. Copy of this Order shall be forwarded within 15 days to the concerned authorities and the Registrar of Companies having jurisdiction, for updating the status of corporate debtor on master data and further necessary action as prescribed under Law.

-Sd-

(HEMANT KUMAR SARANGI)
MEMBER (TECHNICAL)

-Sd-

(DR. DEEPTI MUKESH)
MEMBER (JUDICIAL)