

**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOCHI BENCH**

MA (IBC)/03/KOB/2023

IN

CP(/660/IB/KOB/2017(CHENNAI BENCH)

*(Under Section 54 of the IBC, 2016 read with
Regulation 45(3)(b) of IBBI (Liquidation Process)
Regulations, 2016)*

***In the matter of NIFE FIRE SYSTEMS PRIVATE
LIMITED***

MEMO OF PARTIES:

S. RAJAGOPAL,

Liquidator of Nife Fire Systems Private Limited,
11/108, 4th Street, Karpagkm Avenue R.A.,
Puram, Chennai, Tamil Nadu 600028

... Applicant

-Vs-

AUTOCOP INDIA PRIVATE LIMITED,

43/4114, A Puthiya Road JN, Thammanam P.O,
Cochin, Ernakulam 682032

... Respondent

Order delivered on: 11.12.2023

Coram:

Hon'ble Member (Judicial) : TMT. (Retd.) Justice T Krishna Valli

Hon'ble Member (Technical) : Shri. Shyam Babu Gautam

Appearances:

**For the Applicant : Mr. Sujesh Kumar, Advocate
Mr. Rajagopal, Liquidator**

For the Respondent : Nil

ORDER

Per. T Krishna Valli, Member (J)

1. This IA has been filed by the Liquidator of Nife Fire Systems Private Limited, the Corporate Debtor, seeking to allow dissolution of Corporate Debtor (CD).

The brief facts of the case are: -

2. Corporate Debtor was admitted to Corporate Insolvency Resolution Process vide order dated 13.03.2018 in Section 9 application by Autocop India Pvt Ltd. and further put to liquidation by NCLT, Chennai vide order dated 05.10.2018. It is stated that the liquidation commenced from 05.10.2018 and thereafter the SCC on 09.12.2020 resolved to move the application for dissolution of the CD. This application has been filed by the liquidator on 08.06.2023. It is stated that from 25th March 2020, the Covid lockdown was declared and liquidator could not seek any extension of liquidation. Further upon matter coming up for hearing and direction of the Tribunal, the liquidator filed application seeking exclusion of Time period from 15.03.2020 to 28.02.2022 and to extend time upto 31.03.2024 which was allowed by the Tribunal in interest of justice on 07.12.2023
3. The applicant carried out public announcement in Form B on 16.10.2018. Liquidator states that no claim has been received by him.

4. The stakeholder's consultation committee (SCC) was constituted on 24.09.2019 with creditor- Syndicate Bank presumed as elected under section 52 IBC, 2016.
5. Liquidator held 1 SCC meeting, and filed 4 progress reports during liquidation period including the preliminary report and Asset memorandum, on 01.01.2019 and the Final report, on 14.08.2021.
6. The applicant state that no Registered Valuer was appointed and the fair value and liquidation value is negligible. The applicant state that the liquidation assets consisted only of doubtful receivables as most of the physical assets had been frittered away. Though the liquidator tried to recover the receivables to CD through a recovery agent, the efforts were not successful as most of claims were disputed.
7. The applicant state that an amount of Rs. 3,88,993/- was realised on 01.06.2019 in liquidation and it was insufficient to even cover the liquidation cost after meeting the remaining CIRP cost. It is also stated that the liquidators fee has not been paid and also no distribution has been made to the stakeholders.
8. It is stated that the suit filed by an operational creditor, Diamond Electricals before Additional City Civil court, Chennai, for recovery of Rs. 19,37,835/- was dismissed. Another claim application filed before this Tribunal by operational creditor, Jayaraj Pipe Traders was also dismissed on 24.02.2020.

9. Applicant further state that there are no proceedings under preferential, undervalued, fraudulent and extortionate (PUFE) transactions.
10. It is stated that Additional Commissioner, Central GST & Excise, Kozhikode, initiated proceedings during moratorium period for demand of Rs. 95,48,060/- was rejected by the liquidator on statutory grounds and that no claim was filed by the GST department in liquidation. It is further stated that EPFO also initiated proceedings for PF contributions which was replied by the liquidator informing that CD is in liquidation. ESI, Ernakulam raised a demand for contribution of Rs. 2,04,204 was also rejected by the liquidator stating that no claim was made in time.
11. It is that a liquidation bank account was opened with SBI, Chennai to which all amounts realised was deposited. Since no more recovery is possible, the applicant has filed this application for dissolution of CD in view of resolution passed in meeting of SCC on 09.12.2020. The liquidator further state that liquidator had to meet his expenses from his pocket and the liquidation account will be closed subject to orders of this Tribunal.
12. Heard the submissions and perused the documents on record. This is an application filed for dissolution of the Corporate Debtor. The applicant has submitted the Form H compliance affidavit and Final Report on liquidation along with this application as Annexure V. The applicant has also produced copies of progress reports filed with this Tribunal as well as liquidation Bank Statements to

support the aforesaid facts. In light of facts stated, it is noticed that the assets of the Corporate Debtor have been completely liquidated under IBC, 2016 and that the proceeds had been insufficient for any distribution to the stakeholders even meeting the liquidation costs and expenses. No objection has been raised by any person to this application.

13. Now, for the purpose of Dissolution of a Corporate Debtor, Section 54 of The Insolvency and Bankruptcy Code, 2016 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 subsection (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.”

14. As a consequence, in view of above, 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’ as reported by Learned Liquidator, this is a fit case of a Corporate Debtor to be dissolved as prescribed under Section 54 of The Insolvency and Bankruptcy Code, 2016. Ordered accordingly. The Corporate Debtor, **Nife Fire**

Systems Private Limited., stands '**Dissolved**' from the date of this Order.

15. Copy of this Order shall be forwarded within 7 (seven) days to the concerned authorities and the Registrar of Companies having jurisdiction, for further necessary action as prescribed under Law.
16. Application is, therefore, hereby allowed and disposed of. Accordingly, **CP/660/IB/KOB/2017(Chennai Bench)**, is hereby closed. All connected applications are also closed accordingly.
17. The Registry is hereby directed to send e-mail copies of the order forthwith to all the parties and their counsel for information and for taking necessary steps.
18. Let the certified copy of the order be issued upon compliance with requisite formalities.
19. File be consigned to records.

SHYAM BABU
GAUTAM

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GAUTAM
Date: 2023.12.11 12:59:58 +05'30'

SHYAM BABU GAUTAM
(MEMBER TECHNICAL)

T.KRISHN
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T.KRISHNAVALLI
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T KRISHNA VALLI
(MEMBER JUDICIAL)

Signed on this, the 11th day of December, 2023.

Rohit.