

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD**

SPECIAL BENCH - COURT 1 (URGENT HEARINGS THROUGH VIDEO CONFERENCE)

PRESENT: HON'BLE SHRI K ANANTHA PADMANABHA SWAMY – MEMBER JUDICIAL

HON'BLE SHRI VEERA BRAHMA RAO AREKAPUDI - MEMBER TECHNICAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 16.10.2020 AT 10:30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA No. 920/2019 in CP (IB) No. 593/9/HDB/2018
NAME OF THE COMPANY	Yagmag Labs Pvt Ltd
NAME OF THE PETITIONER(S)	Cosmic Chemicals
NAME OF THE RESPONDENT(S)	Yagmag Labs Pvt Ltd
UNDER SECTION	9 of IBC

Counsel for Petitioner(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

Counsel for Respondent(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

ORDER

IA 920/2019 in CP(IB) No.593/9/HDB/2018 is listed today for orders.
Counsel for Operational Creditor is connected through video conference.
Orders pronounced vide separate orders.


MEMBER (T)


MEMBER(J)

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**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH-I**

IA No. 920 of 2020
In
CP No. 593/9/HDB/2018

Application under Section 54 (1) of IBC, 2016, r/w Regulation
45 of IBBI (Liquidation Process) Regulations, 2016

In the matter of M/s Yagmag Labs Private Limited

AVS Krishna Mohan
Liquidator for Yagmag Labs Private Limited
Flat No. 402, Bhaskar Enclave, Road No.7
Nagarjuna Nagar, Srinagar Colony
Hyderabad – 500073

..Applicant/
Liquidator

Date of order: 16.10.2020

Coram:

Hon'ble Shri K. Anantha Padmanabha Swamy, Member (Judicial)
Hon'ble Shri Veera Brahma Rao Arekapudi, Member (Technical)

Appearance:

For Applicant: Shri Shabbeer Ahemed along with Shri V.
Aneesh, Advocates

Heard on: 13.10.2020

PER: SHRI VEERA BRAHMA RAO AREKAPUDI
MEMBER (TECHNICAL)

ORDER

1. This Application is filed under Section 54 of Insolvency & Bankruptcy Code, 2016 by the Applicant / Liquidator seeking dissolution of **M/s YAGMAG LABS PRIVATE LIMITED** / Corporate Debtor.

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2. The averments apropos to the Application in brief are:-
- 2.1 This Tribunal vide order passed on 18.02.2019 admitted the petition filed under Section 9 of Insolvency & Bankruptcy Code, 2016 by Cosmic Chemicals/ Operational Creditor and Corporate Insolvency Resolution Process commenced against Corporate Debtor / Yagmag Labs Private Limited by appointing Mr. Ram Murthy Kommera as Interim Resolution Professional who was later replaced by Applicant herein as Resolution Professional vide this Tribunal order dated 30.04.2019.
- 2.2 Subsequently, this Tribunal vide order dated 14.10.2019 ordered liquidation of the Corporate Debtor and Applicant herein was appointed as Liquidator for the Corporate Debtor.
- 2.3 Consequent to assuming charge of Liquidator on 14.10.2019, the Applicant issued public announcement in For B in Financial Express (English) and Velugu (Telugu) newspapers as required under Regulation 12 of IBBI (Liquidation Process) Regulations, 2016, inviting claims from the stakeholders of the Corporate Debtor. It is further averred complying Regulation 46 of the Regulations, a liquidation account was opened by the Applicant. After collating and verifying the claims, the Applicant / Liquidator prepared the list of creditors and submitted the same to this Tribunal on 12.12.2019.
- 2.4 The preliminary report and Asset Memorandum was filed by the Liquidator on 12.12.2019. It is stated, since no assets are available with the Corporate Debtor for sale, the Stakeholders Consultative Committee was not conducted. The Applicant stated that he has filed progress reports before the Tribunal for the quarters ending 31.12.2019, 31.03.2020 and 30.06.2020. The Final report regarding

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conduct of the Liquidation process for the period from 14.10.2019 to 03.09.2020 is annexed and marked as Annexure-V. It is also stated by the Liquidator that Corporate Debtor's manufacturing unit and the stock were sold much before the commencement of CIRP. No prohibited transactions were reported in the transaction audit.

- 2.5 It is the case of Applicant herein that Liquidation value of the Financial Assets were Rs. 25,50,601/- whereas the realization amount was Rs. 16,13,882/-. The shortfall of Rs. 9,36,069/- is due to non-recovery of GST Input Tax Credit for which refund request has already been filed by the Liquidator on 22.11.2019. It is further stated that the GST Authorities has raised a demand of Rs. 1,28,04,348/- on 29.05.2020 which was adjusted after computation of input tax credit. As such the GST input tax could not be recovered by the Liquidator.
- 2.6 It is further submitted by the Applicant that all the proceeds of liquidation of the assets of the Corporate Debtor have been distributed as per Section 53 of IBC and that there is no amount due/ payable to any stakeholder. The receipts and payments made during liquidation is elaborated in para 4 (viii) at page Nos. 4 to 6 of the Application.
- 2.7 The Applicant has filed Form-H` complying with Regulation 45 of the Regulations, which is annexed and marked as Annexure-VII. Therefore, the Liquidator prayed this Tribunal to pass a dissolution order in terms of Regulation 45 (3) of the Regulations.
3. We heard the Counsel for Liquidator and perused the documents filed by the Applicant. The Final report in Form-H is filed as Annexure-4. This IA is filed under Section 54 of IBC R/w Regulation 45 of the Insolvency and Bankruptcy Board of

India (Liquidation Process) Regulations, 2016 praying the Adjudicating Authority to order for dissolution of the Corporate Debtor Company as liquidation process is complete. The said provision reads as under:-

“Regulation 45 (3) (b): Final report prior to dissolution.

(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 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).


4. The Liquidation process of the Corporate Debtor commenced on 14.10.2019 and ended on completed on 03.09.2020. The Liquidator has filed progress reports with the Tribunal and final report was filed on 25.09.2020. As stated by the Counsel for Liquidator, no meeting of the stakeholders consultation committee is conducted as there were no physical assets in the Company and that no sale process during the liquidation process. The Counsel for liquidator would contend he has realised most the financial assets as per the Asset Memorandum and distributed the same as per Section 53 of the IBC. However he could realise the GST input tax to the tune of 9,36,069/- owing to reasons mentioned at para 2.5 supra.
5. The Bench is of the considered view that all the proceeds of the Liquidation of the assets of the Corporate Debtor have been duly distributed and since no amount is due to any of the stakeholder, it is a fit case to order dissolution of the Company.
6. As a sequel to the above, by exercising powers conferred on this Tribunal in terms of Regulation 45 (3) (b) of Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016, we hereby order dissolution





of Corporate Debtor viz. **M/s YAGMAG LABS PRIVATE LIMITED** from the date of this Order and consequently the Liquidator stands relieved.

7. 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 along with all the books and files of the Corporate Debtor **M/s YAGMAG LABS PRIVATE LIMITED** which are in possession of the Liquidator.
8. The Registry is directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data.
9. A copy of this order be also forwarded to the Insolvency & Bankruptcy Board of India, New Delhi.
10. In terms of the above, IA No. 920 of 2020 filed by the Liquidator appointed for **M/s YAGMAG LABS PRIVATE LIMITED** for dissolution of the Company under Section 54 (1) of IBC, 2016 stands disposed of accordingly.


(VEERA BRAHMA RAO AREKAPUDI)
MEMBER (TECHNICAL)


(K. ANANTHA PADMANABHA SWAMY)
MEMBER (JUDICIAL)

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