



S.No.2

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
28-11-2024 AT 10:30 AM**

CP(IB) No. 663/7/HDB/2018

AND

IA (IBC) (Dissolution) 15/2024 in CP(IB) No. 663/7/HDB/2018

u/s. 7 of IBC, 2016

IN THE MATTER OF:

State Bank of India

...Financial Creditor

AND

Mr. Umesh Purshottam Jethwani
(M/s. Meena Jewellers Pvt Ltd)

...Corporate Debtor

C O R A M:-

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)**

O R D E R

IA (IBC) (Dissolution) 15/2024

Orders pronounced. **In the result, this company is dissolved.** Since the company is dissolved the files may be consign to records.

Sd/-

MEMBER (T)

Sd/-

MEMBER (J)



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

I.A. No.15 OF 2024

IN

CP(IB) NO. 663/7/HDB/2018

APPLICATION UNDER SETION 54(1) READ WITH SECTION 60(5) OF
IBC, 2016 & READ WITH REGULATION 45(3)(a) OF IBBI
(LIQUIDATION PROCESS) REGULATIONS, 2016 AND RULE 11 OF
THE NCLT RULES, 2016

**IN THE MATTER OF
STATE BANK OF INDIA**

versus

M/S. MEENA JEWELLERS EXCLUSIVE PRIVATE LIMITED

Between:

Mr. Sri Vamsi Kambhammettu,

The Liquidator for

M/s. Meena Jewellers Exclusive Private Limited

Regd. No. IBBI/IPA-001/IP-P00664/2017-2018/11141

Having office at Rao and Rao, Chartered Accountats,

A 85, #DX4, Level 2, Road No.11, Film Nagar, Jubilee Hills,

Hyderabad – 500 033.

.... Applicant / Liquidator

Date of order: 28.11.2024

Coram:

Dr. N. Venkata Ramakrishna Badarinath, Hon'ble Member (Judicial)

Shri Charan Singh, Hon'ble Member (Technical)



Appearance:

For Applicant: Mr. V V S N Raju, Ms.Meghana,Advocates

For liquidator: Mr.Vamsi.K

**PER: BENCH
O R D E R**

1. This Application is filed by the Liquidator of the Corporate Debtor M/s. Meena Jewellers Exclusive Private Limited under Section 54(1) read Regulation 45(3)(b) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 to take on record the completion of the liquidation process and pass an order for dissolution of the Corporate Debtor.

2. BRIEF AVERMENTS OF THE APPLICANT:

2.1 To put it concisely, this Tribunal on 26.11.2019 has admitted the Corporate Debtor Company into Corporate Insolvency Resolution Process and appointed Dr.K.V.Srinivas as the IRP and whose appointment was later confirmed as Resolution Professional to conduct the CIRP process of the Corporate Debtor Company in the second COC meeting held on 07.01.2020. Since corporate debtor could not be revived, COC in its 6th meeting held on 05.08.2020 resolved for



initiation of Liquidation against the Corporate Debtor. Accordingly, the Resolution Professional filed an Application before this Hon'ble Tribunal for initiation of liquidation against the Corporate Debtor and thus this Hon'ble Tribunal passed Liquidation order against the Corporate Debtor vide IA.No. 673/2020 in CP (IB) No. 663/7/HDB/2018 and thereafter the Applicant was appointed as the Liquidator. A copy of the order dated 26.04.2021 is attached as **Annexure-1.**

- 2.2 It is submitted that in compliance with the Liquidation Regulations, the Applicant/Liquidator also prepared and filed the Asset Memorandum under Regulation 34 and the Preliminary Report under Regulation 13 on 12.07.2021 before this Hon'ble Tribunal. It is stated that further the List of Stakeholders was modified based on the directions of this Hon'ble NCLT IA No. IA(IBC) 1282/2022 and the same was filed before this Hon'ble Tribunal on 06.01.2023. It is stated that further the List of Stakeholders was again modified based on the directions of this Hon'ble NCLT in IA No. 461/2023 and the same was filed before this Hon'ble Tribunal on 06.07.2023.



2.3 It is submitted that the Liquidator reconstituted the Stakeholders' Consultation Committee of Meena Jewellers Exclusive Private Limited pursuant to Regulation 31A of the IBBI (Liquidation Process) Regulations, 2016 from time to time and the reconstituted Stakeholders Consultation Committee as on 06.07.2023 is as follows:

S. No.	Class of Stakeholders	Member of Stakeholders Consultation Committee and the amount of		Voting %
1	Secured financial creditors, who have relinquished their security interests under Section	State Bank of India	Rs. 132,63,52,434	76.09%
2	Unsecured financial creditors	No claims received	-	-
3	Workmen and employees	No claims received	-	-
4	Governments	Asst. Commissioner of Income Tax, Circle — 5(1), Hyderabad	Rs. 40,47,19,970	23.22%
5	Operational creditors other than Workmen, employees and	Margadarsi Chit Fund Private Limited	Rs. 1,20,97,693	0.69%
6	Shareholders, if any	No claims received	-	



2.4 As per Regulation 27 of IBBI (CIRP Regulations) 2016, the Resolution Professional appointed the following registered valuers who are registered valuers under IBBI and who submitted the fair value and liquidation value after physical verification of the property and the details are given below:

S. No.	Asset Category	Name of the Valuer	Fair Value (Rs.)	Liquidation Value (Rs.)
1	Land & Building	G V Appa Rao	33,41,44,164	25,06,08,000
		T N Satyanarayana Rao	32,73,45,000	24,55,08,750
2	Plant & Machinery	K Dhanapathi Rao	1,55,24,850	52,00,000
		G P Sankaram	1,73,13,500	51,94,000
3	Securities & Financial Assets	V Gangadhara Rao N	10,525	10,525
		G Koteswara Rao	10,667	10,667
Average			34,71,74,353	25,32,65,971

2.5 It is submitted that the above valuations submitted by the Registered Valuers appointed by the then Resolution Professional during CIRP of the Corporate Debtor for assessing the Liquidation and Fair Value of the assets (Land & Building and Plant & Machineries & Securities and



Financial Assets) were taken into consideration for the Liquidation process as well in consultation with SCC.

- 2.6 It is submitted that as per Section 36 of IB Code, the Liquidator formed the Liquidation Estate with the assets mentioned in page 4 and 5 of the application by appropriating the above valuations based on the said Valuation Reports. It is submitted that the estimate of the Liquidation estate came to Rs.25,32,65,971/-. The manner in which the sale has taken place is provided in detail in the final report attached with this application. It is submitted that the amount realized from sale of liquidation estate was Rs.20,79,22,137/-.
- 2.7 It is submitted that the summary of account of Liquidation Estate is as follows:

Liquidation value of the liquidation estate	Rs.25,32,65,971/-
Amount realized from sale of liquidation estate	Rs.20,79,22,137/-
The amounts to be distributed to stakeholders as per section 52 or 53 of Code	Rs.19,58,71,353/-
The Fee Payable to the Liquidator (As approved in the 6 th COC, <i>Liquidator is entitled 65% of the table of fees entitled under the Regulation 4, as a percentage of the realized net</i>	Rs.73,94,000/- (Inclusive of GST)



<i>of other liquidation costs, and of the amount distributed as per Regulation 4(3) of the Liquidation Regulations, based on the approval of the COC in their 6th meeting held on 05th August, 2020)</i>	
The Liquidation Costs incurred for the Liquidation Process of the Corporate Debtor	Rs.23,61,910/-
Reimbursement of Liquidation Costs of group companies, vide approvals of the SCC in third and fourth SCC	Rs.22,75,866/-

- 2.8 It is stated that the Liquidation Costs for the Corporate Debtor estimated and provided in the Preliminary Report were to the tune of Rs.20,75,000/- for the liquidation process anticipated at one year. Further the actual Liquidation Costs for the liquidation process is Rs.23,61,910/- for the liquidation period of over three years, and the said cost was incurred in consultation with SCC. Further in compliance with Regulation 45(2), it is submitted that the excess costs of Rs.2,86,910/- over estimated cost was mainly due to litigation related expenses on account of multiple litigations during the liquidation process and further due to extension of liquidation period beyond one year for these reasons. The Receipts & Payments for the period



01.07.2024 to 10.07.2024 and audited Cumulative Receipts and Payments till 10.07.2024 from the liquidation commencement date till the date of closure of liquidation account for the purpose of liquidation process are annexed hereto and marked as **Annexure-19**.

2.9 It is stated that Stakeholders Consultation Committee meetings were conducted on 12.07.2021, 06.09.2021, 22.07.2022, 15.06.2023, 27.03.2024 and 24.06.2024 and discussed on the modalities of sale of the assets of the Corporate Debtor under Regulation 32A of the IBBI (Liquidation Process) Regulations, 2016, reduction of reserve prices when the sale attempts failed, distribution of liquidation proceeds and further on the various aspects in the Liquidation Process from time to time.

2.10 It is stated that during the Corporate Insolvency Resolution Process of the Corporate Debtor, M/s. Advarisk, SLO Technologies Private Limited, was appointed to conduct the forensic audit as per the scope approved by the members of the Committee of Creditors on the transactions of the Corporate Debtor. The Forensic Audit Report was received by the Resolution Professional. Further an Interlocutory Application (IA) in IA(IBC)/57/2021 was filed by the Resolution



Professional before this Hon'ble Tribunal under Sections 118, 128 and 123 of the Companies Act, 2013, and Sections 66 of the Insolvency and Bankruptcy Code, 2016, for recovery of the said monies.

- 2.11 It is stated that in pursuance of Regulation 44A of the IBBI (Liquidation Process) Regulations 2016, the Stakeholders Consultation Committee in the 6th SCC Meeting approved the manner in which the above Interlocutory Application is to be pursued and the manner in which the proceeds, if any, from such proceedings shall be distributed post the dissolution of the Corporate Debtor. Copy of the minutes of the 6th SCC is attached with the final report. The proposal pursuant to Regulation 44A approved by the SCC is annexed to the Final Report.
- 2.12 It is stated that the Compliance Certificate in Form-H as per Regulation 45(3) of IBBI (Liquidation Process) Regulations, 2016 is filed by the Liquidator. It is stated that all the assets forming part of the Asset Memorandum of the Corporate Debtor have been liquidated. Further the affairs of the Corporate Debtor indicate that there is no further activity to be carried out in the Liquidation Process, excepting the pending registration of Basheerbagh Property. In the circumstances, the liquidator filed IA (IBC) 1395/2024, seeking 45 days extension in



liquidation period from 30.06.2024 which was allowed and this Hon'ble NCLT extended the liquidation period till 15.07.2024 directing the liquidator to file the Final Report and close the liquidation process. Thus, the Liquidator filed Application for dissolution of the Corporate Debtor in terms of provisions of the IBC. Further the liquidator had also filed the reports and complied with the provisions of the code.

2.13 It is stated that Central Bureau of Investigation (CBI), BSFB, Bengaluru, registered a case vide RC 07/(E)/2021 under section 120-B r/w.420, 468 & 471 IPC and Section 13(2) r/w.13(1) (d) of PC Act 1988 against the Corporate Debtor Meena Jewellers Exclusive Private Limited (A-1) having office at Shop No.201/A, Babukhan Estate, No.5-9-58/1-15, Basheerbagh, Hyderabad, Telangana – 500 001, Shri. Umesh Jethwani (A-2), suspended Managing Director, Smt. Hema U Jethwani (A-3), suspended Director, Shri. Karan U Jethwani (A-4), suspended Director and unknown public servants and private persons on the basis of complaint lodged by State Bank of India, Stressed Asset Management Branch-II, Kachiguda, Hyderabad, Telangana for causing wrongful loss. It is stated that these investigation proceedings are currently ongoing and are in progress.



- 2.14 It is stated that the Hon'ble NCLT Bench, Hyderabad in connected matters viz., Meena Jewellers Private Limited in IA (IBC) 1243 of 2023 connected with CP (IB) No. 661/7/HDB/2018 and Meena Jewellers & Diamonds Private Limited in IA (IBC) 1362 of 2023 connected with CP (IB) No. 665/7/HDB/2018 noted that *"We therefore, find no trace in the resolution passed by the SCC to keep liquidation proceedings in hold, because of pendency of some proceedings by CBI. Thus, Prima facie, we are not convinced with the reason for extension. Further the undersigned Liquidator was directed to file his final report within two weeks and the SCC is directed to cooperate with liquidation in holding a meeting to give effect to the said directions."*
- 2.15 It is stated that consequently, the Liquidator has filed IAs for dissolution in the above stated connected matters viz., Meena Jewellers Private Limited in IA (IBC) 1546 of 2023 connected with CP (IB) No. 661/7/HDB/2018 and Meena Jewellers & Diamonds Private Limited in IA (IBC) 1547 of 2023 connected with CP (IB) No. 665/7/HDB/2018. While hearing the said dissolution applications, the Hon'ble NCLT took note of the pending CBI cases and after being satisfied itself with the legal position, passed orders



for Dissolution on 08-01-2024. It is submitted that the State Bank of India, expressed concern with the dissolution of the Corporate Debtor only for the reason of ongoing investigation. However, the Liquidator in the said meeting clarified that pursuant to Regulation 45A(6), the records of the Corporate Debtor shall have to be preserved as per applicable laws and accordingly he shall preserve records to the extent handed over to him and he shall endeavor to supply the same to the bank during this period. He further reiterated that there is no expected realization from the liquidation estate of the corporate debtor; to avoid further burden of liquidation costs; and the impending deadline to close the liquidation process, the undersigned Liquidator is proposing for dissolution of the corporate debtor in terms of provisions of the IBC, subject to the pending registration and subject to directions of the Hon'ble NCLT while seeking extension in this connection as noted above..

- 2.16 It is stated that reference to the decision of the Hon'ble NCLT New Delhi in matter of *M/s. Kundon Mal Roop Chand Jewellers Pvt. Ltd. V. M/s. Delhi Diamonds Pvt. Ltd. (IA 5317/2022 in IB-1117/ND/2020)* is drawn to the notice of the Hon'ble Tribunal which is relevant and has persuasive value in the matter. In the said order, the



Hon'ble NCLT, Delhi held for closure of the Liquidation Process of the Corporate Debtor during the pendency of the criminal case.

2.17 It is averred that in the light of completion of the liquidation process and as there is no further activity to be carried out in the liquidation process, the liquidator in his report has observed that the corporate debtor can be dissolved. Pursuant to that final report with regard to Regulation 45 of IBBI Regulations is also filed. Thus, prayed for dissolution of the corporate debtor.

3. In the light of above facts and circumstances of the case, the only point that emerges for consideration of the Tribunal is:

Whether the Corporate Debtor can be dissolved?

4. We heard the Ld. Counsel for the Liquidator in **I.A. No.15 OF 2024 IN CP(IB) NO. 663/7/HDB/2018** and perused the record.

Point

Whether the Corporate Debtor can be dissolved?

5. The various provisions of the Code dealing with the dissolution of the Corporate Debtor are as follows:

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.***

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).]

6. Based on the above facts and circumstances of the case we are satisfied that the criteria laid down under the law has been fully complied with in this case. Liquidator filed Form-H and stated that all the assets



forming part of the Asset Memorandum of the corporate debtor have been liquidated and there were no assets to be liquidated. Also, there are no receivables/assets to be realized in the liquidation estate of the corporate debtor. Thus, it would be just and proper to dissolve the Company as proposed by the liquidator. Therefore, provisions of Section 54 of the Code and also that of Regulation 14 of IBBI (Liquidation Process) Regulations, 2016, would be deemed to have been complied with.

7. The liquidator has submitted the details of the claim admitted, amount realized and amount distributed, to various stakeholders which is as below:

S. No.	Class of Stakeholders	Claim admitted	Amount distributed from the realization of the liquidation estate (amount in Rs.Lakh)
1	Secured financial creditors, who have relinquished their security interests under Section 52- State Bank of India	Rs. 132,63,52,434	1981.66
2	Unsecured financial creditors- no claims received	-	-



3	Workmen and employees- no claims received	-	-
4	Governments, Asst. Commissioner of Income Tax, Circle — 5(1), Hyderabad	Rs. 40,47,19,970	-
5	Operational creditors other than Workmen, employees and Governments- Margadarsi Chit Fund Private Limited	Rs. 1,20,97,693	-
6	Shareholders, if any – no claims received	-	-
7	Liquidation costs (including liquidator fees)	97.56(Amount in Rs.Lakhs)	97.56

8. Since there are no assets left for realization, the provisions of the Code deemed to have been complied under Chapter III and part II of the Code. The instant application is filed in accordance with the law and the Resolution in question to dissolve the Corporate Debtor was approved by the SCC in its 6th SCC meeting, as detailed supra.
9. Further, it was resolved in the 6th SCC meeting that IA No.57/2021, which was filed under Section 66, is to be pursued by SBI and the proceeds if any from such proceedings shall be distributed to SBI post



dissolution of the corporate debtor. This Tribunal has finally disposed of this application i.e IA no.57/2021 by passing following order.

*“The Respondent No. 1 and 2 have carried on the business of the Corporate Debtor with an intent to defraud the creditors of the Corporate Debtor. Hence, we hereby direct Respondent No. 1 and 2 to return a sum of **Rs.88 crores** to the Liquidation Estate of the Corporate Debtor within 90 days from the date of this order. In default, the Liquidator is at liberty to seek execution of this order”*

10. In view of the above said order of the NCLT, SBI is directed to follow up for the recovery of the amount as directed by the NCLT in its order dated 12.11.2024 in IA No.57/2021.
11. Thus, we are satisfied that this is a fit case for dissolving the Corporate Debtor company and allowing the Application filed by the liquidator.
12. In view of the above facts and circumstances, this Adjudicating Authority in exercise of the powers conferred under sub-section (2) of section 54 of the Code hereby order as under:-
 - (i) The Corporate Debtor/ M/S.MEENA JEWELLERS EXCLUSIVE PRIVATE LIMITED stands dissolved from the date of this Order, in terms of Section 54(1) of IBC, 2016, and the Liquidator stands relieved.



- (ii) 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.
- (iii) 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.
- (iv) The Registry is also directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data.
- (v) A copy of this order be also forwarded to the Insolvency & Bankruptcy Board of India, New Delhi.
- (vi) In terms of the above, IA (Diss) No. 15 of 2024 filed by the Liquidator appointed for M/S. MEENA JEWELLERS EXCLUSIVE PRIVATE LIMITE (Corporate Debtor) for dissolution of the Company under Section 54 (1) 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.*



- (vii) SBI is hereby directed to follow up the recovery of the amount as directed by the NCLT in its order dated 12.11.2024 in IA No.57/2021.
- (viii) That liquidator herein is directed that after mandated period of 8 years for preservation of records, he should handover the documents pertinent to this case to SBI if CBI proceedings are not concluded within this period of 8 years.
- (ix) Accordingly, IA No.15/2024 for dissolution of the Company is allowed and stands disposed of accordingly.

-sd-

Charan Singh
Member Technical

-sd-

Dr. Venkata Ramakrishna Badarinath Nandula
Member Judicial

Pavani