IA No. 55/2024

Under Section 54 of Insolvency & Bankruptcy Code, 2016

Brijendra Kumar Mishra

Liquidator/

...Applicant

In the matter of

CP (IB) No.3918/MB/C-IV/2019

Pooransingh Vijaysingh Rathode

Sole proprietor of Meghana Colour Chem

...Operational Creditor

Vs.

JK Coil Coatings Private Limited

...Corporate Debtor

Order Pronounced on: 17.12.2024

Coram:

Smt. Anu Jagmohan Singh Mr. Kishore Vemulapalli

Hon'ble Member (Technical) Hon'ble Member (Judicial)

Appearances:

For the Applicant : Adv Manoj Mishra for

Liquidator/Applicant present through

virtual mode.

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ORDER

1. This is an Application filed under Section 54(1) of the Insolvency and Bankruptcy Code, 2016 (hereinafter called 'code') on 15.09.2024 by Mr. Brijendra Kumar Mishra, Liquidator (hereinafter referred to as the "Applicant") of the Corporate Debtor, seeking dissolution of the Corporate Debtor viz. **JK Coil Coatings Private Limited.**

2. The brief facts of the application are as follows:

- 2.1. The Applicant submits that the CIRP was initiated against the Corporate Debtor under section 9 of IBC, 2016 vide order dated 18.09.2020 and appointed Mr. Ramesh Chandra Kumawat as the Interim Resolution Professional. The Applicant herein was appointed as a Resolution Professional vide order dated 29.09.2021 of this Tribunal.
- 2.2. Based on approval of the CoC, this bench was pleased to allow the commencement of liquidation proceeding and Applicant was appointed as a Liquidator vide Liquidation order dated 03.11.2022.
- 2.3. Pursuant to the liquidation order of the Corporate Debtor, Public Announcement in Form B was published on 16.11.2022 for inviting claims from Stakeholders and the last date of submission of claims was 16.12.2022.
- 2.4. The Applicant submits that 1st SCC meeting held on 15.11.2022. The CoC was comprising of Union of India with 100% voting share functioned as the SCC in the 1st meeting with the same voting rights until the formal constitution of SCC on the basis of claims received during liquidation.

- 2.5. The Applicant states that he opened the Bank Account for liquidation in the name of M/S JKCOIL COATINGS PVT LTD LIQUIDATION maintained with Union of India in terms of the provisions of the Code.
- 2.6. The Applicant submits that a public announcement was made on 30.11.2022 for the sale of Corporate Debtor as going concern. However, Applicant did not receive any enquiries in response to the public announcement.
- 2.7. The Applicant submits that Stakeholders' Consultation Committee was re-constituted on 13.12.2023. The Committee composed of the Secured Financial Creditor i.e. Union Bank of India, Operational Creditor represented by Macro Polymers, Operational Creditor Employees and Operational Creditor Government dues.
- 2.8. The Applicant further submits that 2nd SCC meeting held on 21.12.2023, where SCC permitted the Applicant to proceed with the auction of the assets. Subsequently, the Applicant issued 2nd E-auction Sale Notice on 19.01.2024, whereby the E-Auction was scheduled on 22.02.2024. JSW Paints Private Limited made payment of EMD of Rs. 1.30 Crores on 16.02.2024 and participated in the 2nd Auction conducted on 22.02.2024. Thereafter, JSW Paints Private Limited ("Winning Bidder" or "Successful Bidder") emerged as the Winning Bidder having submitted highest bid of Rs. 13 Crores. Accordingly, the Applicant issued the Letter of Intent ("LOI") in favour of Successful Bidder on 28.02.2024. Thereafter, the Successful Bidder paid the balance sale consideration of Rs. 11.70 Crores on 27.03.2024.

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2.9. The Applicant submits that in addition to the realization of Rs. 13,00,00,000/- (Rupees Thirteen Crores Only) plus GST, during the liquidation process, an amount of Rs. 16,95,714/- (Rupees Sixteen Lakhs Ninety - Five Thousand Seven Hundred and Fourteen Only) has been received in the liquidation account, which is reproduced as follows:

Sr. No.	Particulars	Amount (In Rs.)
1.	Amount realized from sale of Factory Land and Building, Plant and Machinery and Inventory to JSW Paints Private Limited (incl. GST)	13,20,14,560/-
2.	Balance amount transferred from Corporate Debtor's A/c No. 913020051775064 maintained with Axis Bank to Corporate Debtor's Liquidation A/c maintained with Union Bank of India	6,91,526/-
3.	Amount received from Powerica Limited during Liquidation Process	1,00,000/-
4.	Amount received from Uttam Galva Steels Ltd during Liquidation Process	9,04,188/-
TO	TAL AMOUNT REALIZED	13,37,10,274/-

2.10. The Applicant submits that the closing balance of Rs. 6,91,526/-(Rupees Six Lakhs Ninety - One Thousand Five Hundred Twenty - Six Only) in A/c No. 913020051775064 maintained with Axis Bank has been duly transferred to Liquidation A/c No. 319001010036853 maintained with Union Bank of India by way of DD No. 112692 dated 28.08.2024. Pursuant to the said transfer, the Bank Account maintained with Axis bank stands closed.

- 2.11. The Applicant submits that after the payment of CIRP Cost and Liquidation Cost the amount has duly distributed to the stakeholders in accordance with the waterfall mechanism u/s 53 of the Code.
- 2.12. The Applicant submits that 4th SCC Meeting held on 29.06.2024. The Applicant/Liquidator informed the SCC that no further core fixed assets of the Corporate Debtor could be realized and therefore, placed the agenda for dissolution of the Corporate Debtor and that pursuant to such dissolution, Union Bank of India be authorized to pursue the pending PUFE Application. the SCC was pleased to pass the resolutions, inter alia for dissolution of Corporate Debtor, with 80.40% voting majority which are reproduced as follows:

"RESOLVED THAT considering that the affairs of the Corporate Debtor do not require any further investigation. the Stakeholders Consultation Committee of JK Coil Coatings Private Limited hereby authorizes the Liquidator to file an application to the Hon'ble NCLT for Dissolution of the Corporate Debtor"

"RESOLVED FURTHER THAT the PUFE Application in the form of avoidance of preferential and fraudulent transactions with IA 2139 (MB) 2021 in C.P. (IB}/3918 (ME) 2019 shall after the application of dissolution, be prosecuted by the Union Bank of India, the lead member of the Stakeholders' Consultation Committee".

2.13. The Applicant submits that since there is no balance and all the payments were cleared in the Liquidation account maintained with Union Bank of India, the Applicant was constantly following up with Union Bank of India for closure of the captioned Bank Account. Union Bank of India finally closed the Account on 09.09.2024.

- 2.14. The Applicant submits that I.A. 2139/2021 application for avoidance u/s43 and 45 is pending and sought to be continued by the Union Bank of India as per the resolution of 4th SCC meeting.
- 2.15. The Applicant submits that he has attached Compliance Certificate in Form H under Regulations 45(3), Final Report submitted on 14.09.2024.
- 2.16. The Applicant submits that the assets of the company have been liquidated and no asset remains unsold. In view of successful completion of liquidation, the Applicant hereby recommend for the dissolution of the Corporate Debtor.
- 2.17. The Applicant submits that the Liquidation period has already expired on 03.07.2024. However, delay of 72 days has been occurred due to the time taken in closure of liquidation account and for getting complete audited receipts and payments.

FINDINGS

- 3. We have heard the Counsel appearing for the Applicant and perused the Application.
- 4. Before considering the merits of case, it is necessary to refer relevant provisions and rules, as available under the IBC and the Rules made thereunder.

Section 54 of the IBC reads

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"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 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 subsection (2) shall within seven days from the date of such order, be forwarded to the authority with which the corporate debtor is registered".

- 5. On examining the submissions made by the Ld. Counsel appearing for the Applicant/Liquidator and the documents annexed to the Application, it appears that the affairs of the Corporate Debtor have been wound up and there are no assets to be liquidated.
- 6. The above facts and circumstances indicate that due process of liquidation, as per extant provisions and in the manner indicated in the Code and Regulations, have been followed by the Liquidator in the liquidation process. The liquidation process has been duly completed as per the provisions of the Code. Thus, it would be just and equitable to dissolve the Corporate Debtor. No party is going to be adversely affected thereby. In view of the above, the Corporate Debtor deserves to be dissolved. Hence, ordered that -
- i) JK Coil Coatings Private Limited the Corporate Debtor, is hereby dissolved with immediate effect;
- ii) Union Bank of India will prosecute the I.A. (IBC) No. 2139/2021;
- iii) The delay of 72 days is condoned;
- iv) The Registry is directed to forward a certified copy of this order to the Registrar of Companies, Mumbai within a period of seven days;
- v) The Liquidator is discharged.

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7. Accordingly, IA-55/2024 is allowed and disposed of. Also, CP(IB)-3918(MB)/2019 is hereby CLOSED. File to be consigned to records.

Sd/-

Sd/-

ANU JAGMOHAN SINGH MEMBER (TECHNICAL) KISHORE VEMULAPALLI MEMBER (JUDICIAL)