



IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH
(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)
(Through Physical Hearing / VC Mode (Hybrid))

I.A.No.01/2024

Under Section 54 (1) of the Insolvency & Bankruptcy Code, 2016
Read with Regulation 45 (3) (B) of the Insolvency Bankruptcy
Board of India (Liquidation Process) Regulations 2016

C.P. (IB) No.05/BB/2021

Under Section 7 read with Rule 4 of the
Insolvency & Bankruptcy Code, 2016

In the matter of:

Shri Joby Chacko,

Liquidator of M/s. MTM Trading Private Limited,
No.120, 3rd Main, 3rd Cross, Pride Valley View,
Bukkasagara, Jigani Hobli,
Bengaluru – 560105

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Applicant/Liquidator

Order delivered on: 20th August, 2024

Coram:

1. Hon'ble K.Biswal, Member (Judicial)
2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

Present:

For the Applicant : Shri Saji.P.John

O R D E R

Per: K.Biswal, Member (Judicial)

1. The present Application is filed on 13.03.2024 by **Shri Joby Chacko, the Liquidator of M/s. MTM Trading Private Limited** (hereinafter referred as the '**Applicant**') under Section 54 (1) of the Insolvency & Bankruptcy Code, 2016 (hereinafter referred to as the '**Act**') read with Regulation 45 (3) (B) of the Insolvency and Bankruptcy Board of India (Liquidation Process) *inter alia* seeking to pass an order of dissolution of M/s.MTM Trading Private Limited under Section 54 (2) of the I & B Code, 2016.



2. Brief facts of the instant Application which are relevant to the issue in question, are as follows:

- a) This Adjudicating Authority vide its order dated 09.03.2021 initiated Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor by appointing Interim Resolution Professional and imposing moratorium etc. Pursuant to the same, the IRP made public announcement on 11.03.2021. Thereafter, based on the claims received, the IRP constituted the Committee of Creditor (CoC).
- b) In the first meeting of the CoC held on 08.04.2021 appointed IRP as RP and the same is reported to the Adjudicating Authority on 16.04.2021. The Corporate Debtor was not carrying on any business as on date of commencement of CIRP and as there was no possibility of reviving the Corporate Debtor, the CoC at its 2nd meeting held on 28.06.2021 resolved with 100% voting to liquidate the Company. Pursuant to the same, the RP filed application under Section 33 (2) vide I.A No.201 of 2021 and this Adjudicating Authority vide its order dated 17.08.2021 allowed the liquidation and appointed the Applicant as Liquidator.
- c) The Liquidator caused paper publications inviting claims from all stakeholders in the newspaper on 06.09.2021 and the same was also published at the website of the IBBI and the last date of submission of claim was stipulated as 04.10.2021. In response to the publication, the Liquidator received only one claim as following :

Sl. No	Category	No. of claim	Amount claimed (Rs.)	Amount Admitted (Rs.)
1.	Unsecured Financial Creditor (M/s. Mitra Trading and Exports Private Limited)	1	1,131,177,641	1,131,177,641

- d) The Liquidator constituted stakeholder's consultation committee on 29.10.2021. The assets of the Corporate Debtor as on Liquidation commencement date was as follows:



Sl. No	Details of the asset	Liquidation Value (Rs.)
1	Investment in 1,20,000 equity shares of Rs.10 each in Kandepur Investment Private Limited (unquoted)	14,12,80,535
2.	Bank Balance	5,41,655
3.	Inter corporate loan and interest	33,92,327
	Total	145,214,517*

*excess TDS deposit of Rs.31,37,449 by Corporate Debtor was not considered.

- e) The Liquidator opened the bank account as “MTM Trading Private Limited in Liquidation” with ICICI BANK LIMITED (AC. No.005705025760) and all the receipts and payments during the liquidation period has been operated only through the said account. During the liquidation process the Liquidator recovered the Inter Corporate Loan of Rs.30,00,010 with interest. The Liquidator was also received income tax refund of Rs.21,72,709 during the liquidation period. The remaining unsold asset of the Corporate Debtor was an investment in 1,20,000 equity shares of Rs.10 each in a private limited company (Khandepar Investment Private Limited). This was only 8.75% of the paid-up share capital of the Investee Company. As the investment being on unquoted equity shares and being minority stake, sale of said asset took more time as there were no interest buyers for the same due to its liquidity issue and the sole creditor was also not interest in accepting the said asset as it is.
- f) It is stated that the one year of liquidation period was due on 17.08.2022, the Liquidator obtained extension of liquidation period from this Tribunal. As the sale of assets of the Corporate Debtor was not concluded within the extended time, Liquidator sought further extension of Liquidation period in total 4 (four) times i.e First Extension till 16.02.2023, Second Extension till 16.08.2023, Third Extension till 12th February 2024. Further application was also filed on 12.02.2024 vide I.A No.148 of 2024 seeking extension of liquidation period till 14th March 2024 and the same was allowed on 13.03.2024.



- g) The Liquidator has filed quarterly progress reports along with receipts and payments as required under Regulation 15 of the Liquidation Regulations. Further, the Liquidator attempted to sell the asset through public e-auction process several times. The Liquidator made total 16 attempts to sell the assets each time at reduced reserve price as per permitted under the liquidation regulation. Finally, the asset was able to sell at the 16th e-auction held on 18.11.2023 and the entire sale proceed has been received on 30.12.2023. The Liquidator has filed Asset Sale Report on completion of sale of the asset along with 10th Progress report in I.A No.69 of 2024.
- h) It is stated that the Liquidation account with ICICI BANK LIMITED (AC No. 005705025760) has been closed on 07.03.2024 after final distribution of available balance to the sole Creditor. The Liquidators' receipts and payments account has been audited each year during the liquidation period. As there was no other asset to be liquidated, the liquidator got the receipts and payment audited for the period 01.04.2023 to 07.03.2024. Further stated that the necessary books as required under the regulations has been maintained by the Liquidator.
- i) The Liquidator states that the affairs of the Company have been completely wound up as contemplated under Chapter III of Part II of the Code. The Liquidator prepared the final report and Compliance Certificate in Form-H. Upon completion of the winding up of the affairs of the Company, the Liquidator has filed the present application.
3. Heard the learned Counsel for the Applicant. We have carefully perused the pleadings of the Party.
4. From a perusal of the details narrated supra, it appears that the Liquidator has complied with all the conditions and procedural requirements, as specified under various provisions of Section 54 of the Insolvency & Bankruptcy Code, 2016 and also the extant IBBI Regulations. In view of this factual matrix, we are of the view that the said I.A. No.01 of 2024



seeking dissolution of the Corporate Applicant deserves to be allowed, as prayed. As the I.A.No.01 of 2024 is disposed of allowing dissolution of the Corporate Debtor, consequently the C.P. (IB) No.05/BB/2021 also stands disposed of.

5. In the result, in exercise of the powers conferred under Section 54 of the Code, the Adjudicating Authority is hereby disposing of the Interim Application bearing **I.A.No.01 of 2024 and C.P.(IB) No.05/BB/2021** with the following directions:

- (1) The Corporate Debtor, namely, **M/s. MTM Trading Private Limited is dissolved** with immediate effect;
- (2) The Registry is directed to forward a copy of this Order to the Registrar of Companies Karnataka, Bangalore within a period of two weeks from the date of receipt of this order for further necessary action as prescribed under Law;
- (3) The Ld. Liquidator is directed to forward copies of this Order to all other Statutory Authorities connected with the affairs of the Company, for further necessary action as prescribed under Law.

6. Accordingly, the instant **I.A. No.01 of 2024 is allowed** and the Company Petition bearing **C.P. (IB)No.05/BB/2021** also stands **disposed of**.

Sd/-

(MANOJ KUMAR DUBEY)
MEMBER (TECHNICAL)

Sd/-

(K.BISWAL)
MEMBER (JUDICIAL)