



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

**I.A.(Dissolution) No.13 OF 2024**

**IN**

**CP(IB) NO. 75/9/HDB/2023**

**APPLICATION UNDER SETION 33(2) & 54(1) READ WITH SECTION  
60(5) OF IBC, 2016 & READ WITH REGULATION 45 OF IBBI  
(LIQUIDATION PROCESS) REGULATIONS, 2016 AND RULE 11 OF THE  
NCLT RULES, 2016**

**IN THE MATTER OF**

**ZTE CORPORATION, CHINA**

**versus**

**SMARTRON INDIA PRIVATE LIMITED**

**Between:**

**Raghu Babu Gunturu,  
Resolution Professional,  
Smartron India Private Limited  
Regd. No. IBBI/IPA-002/IP-N00025/2016-2017/10053  
1<sup>st</sup> Floor, Golden Heights, Plot No. 9,  
HUDA Techno Enclave, near Raidurg Metro Station,  
Madhapur, Hyderabad – 500 081**

**.... Applicant / Resolution  
Professional**

**And**

**Registrar of Companies,  
Ministry of Corporate Affairs,  
2<sup>nd</sup> Floor, Corporate Bhawan,  
Tattiannaram, GSI (SR) Post,  
Bandlaguda, Hyderabad (TS)-68  
(Not necessary party)**

**... Respondent**

**Corrigendum dated: 12.11.2024**



**Coram:**

Dr. N. Venkata Ramakrishna Badarinath, Hon'ble Member (Judicial)  
Shri Charan Singh, Hon'ble Member (Technical)

**Appearance:**

For Applicant: Mr. Ch Srinivasulu, Advocate

**CORRIGENDUM ORDER**

1. A memo has been filed by the Ld. Counsel for the Resolution Professional indicating that there are certain typographical errors in the final order passed in IA (Dissolution) No.13/2024 dated 05.11.2024.
2. We have seen the order dated 05.11.2024. There are typographical errors in paras 6 & 11 of the said order. At request, the following corrigendum to the order dated 05.11.2024 in IA (Dissolution) No.13/2024 is hereby issued.

For	Read
<u>Para.6</u> We heard the Ld. Counsel for the <b>Liquidator</b> in I.A. No.13 OF 2024 IN CP(IB) NO. 75/9/HDB/2023 and perused the record.	<u>Para.6</u> We heard the Ld. Counsel for the <b>Resolution Professional</b> in I.A. No.13 OF 2024 IN CP(IB) NO. 75/9/HDB/2023 and perused the record.
<u>Para. 11.1</u> The Corporate Debtor/ SMARTRON INDIA PRIVATE LIMITED stands dissolved from the date of this Order, in terms of Section 54(1) of IBC, 2016, and the <b>Liquidator</b> stands relieved.	<u>Para. 11.1</u> The Corporate Debtor/ SMARTRON INDIA PRIVATE LIMITED stands dissolved from the date of this Order, in terms of Section 54(1) of IBC, 2016, and the <b>Resolution Professional</b> stands relieved.



<p><u>Para: 11.2</u></p> <p>The <b>Liquidator</b> is directed to send the copy of this Order within 7 days from the date of pronouncement to the Registrar of Companies, Hyderabad.</p>	<p><u>Para: 11.2</u></p> <p>The <b>Resolution Professional</b> is directed to send the copy of this Order within 7 days from the date of pronouncement to the Registrar of Companies, Hyderabad.</p>
<p><u>Para: 11.3</u></p> <p>Upon dissolution of the Corporate Debtor, the records of the Company which are in possession of the <b>Liquidator</b>, be handed over by the <b>Liquidator</b> to the IBBI.</p>	<p><u>Para: 11.3</u></p> <p>Upon dissolution of the Corporate Debtor, the records of the Company which are in possession of the <b>Resolution Professional</b>, be handed over to the IBBI.</p>

3. Rest of the contents of the order dated 05.11.2024 remain the same.  
This corrigendum order to be read along with the original order dated 05.11.2024 passed in IA(Dissolution) No.13/2024.

SD/-

(Charan Singh)  
Member (Technical)

SD/-

(Dr. N. Venkata Ramakrishna Badarinath)  
Member (Judicial)

Binnu



S.No.11

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH – 1  
VC AND PHYSICAL (HYBRID) MODE  
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON  
05-11-2024 AT 10:30 AM**

**CP (IB) No. 75/9/HDB/2023  
AND  
IA (IBC) (Dissolution) 13/2024 & IA (IBC) 2205/2024 in  
CP (IB) No. 75/9/HDB/2023  
u/s. 9 of IBC, 2016**

**IN THE MATTER OF:**

M/s. ZTE Corporation

**...Operational Creditor**

**AND**

M/s. Smartron Indian Private Limited

**...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) 13/2024**

Learned Resolution Professional Mr.Raghu Babu Gunturu and Learned Counsel Mr.Ch.Srinivasulu for the Resolution Professional present. **Orders pronounced.**

**In the result, the application is allowed and disposed of.**

**IA (IBC) 2205/2024**

Learned Counsel Mr.V.Ravi Kumar for the Applicant present. In the light of the orders passed in IA (IBC) (Dissolution) 13/2024, this matter cannot survive.

**Hence, this application is disposed of as not maintainable.**

**Sd/-  
MEMBER (T)**

**Sd/-  
MEMBER (J)**



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

**I.A. No.13 OF 2024**

**IN**

**CP(IB) NO. 75/9/HDB/2023**

**APPLICATION UNDER SETION 33(2) & 54(1) READ WITH SECTION  
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**IN THE MATTER OF  
ZTE CORPORATION, CHINA  
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**Between:**

**Raghu Babu Gunturu,  
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1<sup>st</sup> Floor, Golden Heights, Plot No. 9,  
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**.... Applicant / Resolution  
Professional**

**And**

**Registrar of Companies,  
Ministry of Corporate Affairs,  
2<sup>nd</sup> Floor, Corporate Bhawan,  
Tattiannaram, GSI (SR) Post,  
Bandlaguda, Hyderabad (TS)-68  
(Not necessary party)**

**... Respondent**



**Date of order: 05.11.2024**

**Coram:**

Dr. N. Venkata Ramakrishna Badarinath, Hon'ble Member (Judicial)  
Shri Charan Singh, Hon'ble Member (Technical)

**Appearance:**

For Applicant: Mr. Ch Srinivasulu, Advocate

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

1. This Application is filed by the Resolution Professional of the Corporate Debtor Smartron India Private Limited under Section 33 (2) & 54(1) read with Section 60(5) Of IBC, 2016 & Regulation 45 of IBBI (Liquidation Process) Regulations, 2016 and Rule 11 Of The NCLT Rules, 2016 for dissolution of the Corporate Debtor without going through the process of the liquidation as the Corporate Debtor.
2. BRIEF OVER VIEW OF THE CIR PROCESS:
  - (I) The Corporate Insolvency Resolution Process (CIRP) qua the Corporate Debtor/ was initiated by this Tribunal upon admission of the Section 9 Petition filed by ZTE CORPORATION, CHINA, vide order dated 10.01.2024. Thereafter, the Applicant made a Public Announcement dated



17<sup>th</sup> January 2024 in the Financial Express and Mana Telangana as per Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, inviting claims from the creditors of the Corporate Debtor. The Applicant has complied Regulations 13 and 17 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 by filing the list of Creditors and report on constitution of the Committee of Creditors before the Tribunal, and the same were taken on record by this Tribunal vide order dated 28<sup>th</sup> February 2024.

(II) The constitution of the Committee of Creditors is as follows:

S.No.	Name of the Creditor	Claim Submitted	Claim Admitted	Voting %
1.	ZTE Corporation, China	10,39,40,070	10,39,40,070	99.74
2.	Employees' State Insurance Corporation, Regional Office, Hyderabad	2,73,428	2,73,428	0.26
Total		10,42,13,498	10,42,13,498	100%



- (iii) The CoC in its 4<sup>th</sup> Meeting proposed direct dissolution of the Corporate Debtor as the resolution/revival of the Corporate Debtor was not feasible owing to the subsisting condition of the Corporate Debtor and the COC was of the opinion that initiating the process of liquidation would only incur additional expenditure and liquidation period of one year would only prove futile.
- (III) To buttress his case for direct dissolution without going through the process of liquidation, the Applicant relied on the following judgments

- (i) The Coordinate Bench, Bengaluru, in the matter of *M/s Synew Steels Private Limited* has held as follows:

*5...“By conjointly reading the above provisions, the ultimate objective of Code is either to resolve the issue by way of Resolution Plan or to dissolve the Corporate Debtor, as expeditiously as possible. If the facts and circumstances of a case justify that no purpose would be served to keep the Corporate Debtor under regular CIRP proceedings, and thereafter under the Liquidation proceedings, under the provisions of the Code, the Adjudicating Authority, by exercising its inherent powers conferred under the Act, may pass appropriate order(s) in the interests of speedy justice”.*

*The above facts and circumstances of the case justify that there would be no useful purpose served by*





*placing the Corporate Debtor under Liquidation Process under the extant provisions of the Code. Since the assets of the company are realized, the liquidation process under the provisions of the Code deemed to have been completed under Chapter III and part II of the Code and thus it would be just and proper for the company to dissolve the Company as proposed by the Resolution Professional. The instant application is filed in accordance with the law and the Resolution in question to dissolve the Corporate Debtor was approved by the Sole CoC, as detailed supra. We are satisfied that this is fit case for dissolving the Applicant company and allowing the Petition filed by the RP praying the same.”*

- (a) The Coordinate Bench, Kolkata in the matter of Mr. Rajiv Kumar Agarwal, Resolution Professional of Nouvelle Advisory Services Private Limited, has observed as following:

*12 ...A conjoint reading of these provisions leads to the requirement of completion of the liquidation of the assets of the corporate debtor and subsequent application to the Adjudicating Authority by the liquidator for dissolution. The intent is that the assets of the corporate debtor should be completely liquidated and also the distribution be a made in terms of various provisions of the code and the associated regulations, which would then culminate the entire process and thus no purpose would be served by keeping the identity of the corporate debtor as a corporate person and as such the same is*



*required to be dissolved. In many cases, the present one included, when there are no assets to be liquidated, a question arises as to how to comply with the regulation 14 which stipulates early dissolution, which requires the appointment of a liquidator who shall then make an estimate and say whether there are any assets worth liquidating and upon such a certification only an early dissolution application is to be filed. This leads to a dichotomy, as one hand we have assets of the corporate Debtor which can barely cover the CIRP costs and on the other hand we appoint another professional for liquidation, thus incurring additional cost. To get out of this predicament, it would be necessary and sufficient for the RP to certify and submit that there are no assets with the Corporate Debtor, which would satisfy the requirements of Section 54(a), in which case following a route of regulation 14 would be just academic.*

*In the instant case, since there are no assets with the Corporate Debtor as stated by the RP and also by the CoC that there are insufficient funds to meet the full CIRP cost as well as Liquidation cost, therefore provisions of section 54 of the Code and also that of Regulation 14 of the IBBI (Liquidation Process) Regulations, 2016 would be deemed to have been complied with.*

4. The Applicant narrated certain developments to demonstrate that the Corporate Debtor has no assets and no operations and transactions to realize. Therefore, the Applicant sought direct



dissolution of the Corporate Debtor without going through the process of liquidation.

5. 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 without going through the process of liquidation?*

6. We heard the Ld. Counsel for the Liquidator I.A. No.13 OF 2024 IN CP(IB) NO. 75/9/HDB/2023 and perused the record.

*Point*

Whether the Corporate Debtor can be dissolved without going through the process of liquidation?

7. 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).]*

8. The above facts and circumstances of the case justify that there would be no useful purpose served by placing the Corporate Debtor under Liquidation Process under the extant provisions of the Code, as there are no assets with the Corporate Debtor as certified by the RP. Thus, it would be just and proper to dissolve the Company as proposed by the Resolution Professional. 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.

9. Since there are no assets for realization, the provisions of the Code deemed to have been completed 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 COC, as detailed supra.
10. We are satisfied that this is fit case for dissolving the Corporate Debtor company and allowing the Application filed by the RP praying the same.
11. 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:-
  - 11.1 The Corporate Debtor/ **SMARTRON INDIA PRIVATE LIMITED** stands dissolved from the date of this Order, in terms of Section 54(1) of IBC, 2016, and the Liquidator stands relieved
  - 11.2 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.



- 11.3 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.
- 11.4 The Registry is also directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data.
- 11.5. A copy of this order be also forwarded to the Insolvency & Bankruptcy Board of India, New Delhi.
- 11.6 In terms of the above, IA (Diss) No. 13 of 2024 filed by the Liquidator appointed for **SMARTRON INDIA 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.*

Sd/-

(Charan Singh)  
Member (Technical)

Sd/-

(Dr. N. Venkata Ramakrishna Badarinath)  
Member (Judicial)

Binnu