

**NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH-1**

**I.A (Diss). No.07 of 2024
IN**

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OF THE ORIGINAL**

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C.P.(IB) No. 71/09/HBD/2020

APPLICATION U/S 54 (1) OF IBC, 2016

IN THE MATTER OF:

DHARMESH GAJJAR (PROPRITOR OF DHANSHREE IMPEX)

Versus

VVR INNOVATE MATERIALS PRIVATE LIMITED

Filed by :

MR. SAKHAMURU VENU
401, Santosh Residency,
F-61 62 63, Madhuran Nagar,
Hyderabad, Telangana- 500038

... APPLICANT/
LIQUIDATOR

Date of order: 30.07.2024

Coram:

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

Appearance:

For Applicant: Mr. Bendi Ravi Teja, Advocate



PER: BENCH

ORDER

1. The present application is being filed by the Liquidator of M/s VVR Innovate Materials Private Limited (hereinafter referred to as **“Corporate Debtor/ Company”**) seeking for dissolution of the Corporate Debtor as per Section 54 (1) of the Insolvency and Bankruptcy Code, 2016, (hereinafter referred to as **“IBC/ Code”**).
2. Averments in brief: -
 - 2.1 This Tribunal admitted the Corporate Debtor into Corporate Insolvency Resolution Process (“CIRP”) *vide* its order dated 06 June 2022 and Shri Sakhamuru Venu was appointed as an Interim Resolution Professional (“IRP”).
 - 2.2 Pursuant to publication of notice inviting claims from the Creditors of the Corporate Debtor, the IRP after collating and verifying claims, constituted Committee of Creditors (CoC) with sole member i.e., Dharmesh Gajjar (Proprietor of Dhanshree Impex) and IRP conducted the first CoC meeting. It is stated that the sole member of CoC dissented on all the agendas, including the agenda to appoint IRP as the RP. It is stated that the Applicant herein faced continuous non-cooperation from the sole member of the CoC, and approached this Tribunal *vide* IA (IBC) No. 1556 of 2022, for initiating liquidation of the Corporate Debtor.
 - 2.3 This Tribunal *vide* Order dated 10 February 2023 passed order of liquidation and appointed the Applicant herein as Liquidator of the Corporate Debtor.



- 2.4 In pursuance to Regulation 12 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 ("Liquidation Regulations"), the Applicant made a Public Announcement on 18th February 2023, in English Newspaper (Economic Times) and Regional Language Newspaper (Telugu-Mana Telangana) inviting claims from stakeholders.
- 2.5 Pursuant thereto, the Applicant had received claim only from one stakeholder and the detail of the same is stated below:

**List of Claims of Operational Creditors (Other than
Workmen & Employees)**
(As on 10 February 2023, i.e., Liquidation Commencement
Date)

S.No.	Name of the Stakeholder	Nature of Stakeholder	Amount Claimed (INR)	Amount Admitted (INR)
1.	Dharmesh R Gajjar (Proprietor of Dhanshree Impex)	Unsecured Creditor	22,00,537	22,00,537
TOTAL			22,00,537	22,00,537

Copy of List of Stakeholders, is annexed hereto and marked as
Annexure- A.

- 2.6 Thereafter, the Liquidator convened the 1st meeting of the Stakeholder Consultation Committee ("SCC") on 24 February 2023, which was adjourned for want of quorum and further held on 25 February 2024 wherein the sole Operational



Creditor was absent and accordingly that meeting was also not quorate.

2.7 The Applicant had filed a Preliminary Report dated 02.05.2024 as per Regulation 13 of IBBI (Liquidation Process), Regulations, 2016. Further, the Liquidator had filed Asset Memorandum Report dated 02 May 2023 as required under Regulation 34 of IBBI (Liquidation Process) Regulations, 2016.

2.8 Pursuant to the provisions of the Liquidation Regulations, 2016, the Applicant submitted the following reports with the Hon'ble NCLT:

Sr No	Progress Report for Quarter ended	Submission date
1	30 June 2023	10 July 2023
2	30 September 2023	13 October 2023
3	31 December 2023	12 January 2023
4	31 March 2024	16 pril 2024

2.9 It is further stated that the asset of the Corporate Debtor included only HP Laptop, Printer and Mobile and since the nature of items and their value was less, going for public sale would have resulted in more expenditure than income. Therefore, the Liquidator approached this Tribunal *vide* IA(IBC) No. 245 of 2024, seeking permission to sell the assets *vide* private sale, which prayer was allowed by this Tribunal *vide* Order dated 05 February 2024. Accordingly, the



Liquidator sold the items to one M/s Varsha Computers, for an amount of Rs 6,000/- on 13th March 2024.

2.10 The Applicant submits that from the receipts of the sale of HP Laptop, Printer and Mobile, the Liquidator had satisfied the liquidation cost of the Corporate Debtor during the quarter ended on 31 March 2024. Therefore, no distribution was made.

2.11 The Applicant submits that the following is the Liquidation Process Cost:

Amount in INR

S.NO.	PARTICULARS	LIQUIDATION PROCESS COST
1	Bank Charges	985/-
2	Valuation Fees	10,000/-
3	Public Announcement expenses	9,979/-
4	E-Auction Fee	-
5	Legal Counsels Expenses*	65,000/-
6	Professional fees	47,404/-
6	NCLT Fees	-
7	Liquidator/RP Professional Fee	-
TOTAL		1,33,368/-

The Applicant submits that the Liquidation process cost was not reimbursed by the Sole SCC members i.e. Dharmesh Gujjar and same was incurred by the Liquidator from his own pocket. It is further submitted that the Liquidator had received a total of Rs 1,26,000/- from the Suspended Directors of the Corporate Debtor and the said amount has



been realised to satisfy the liquidation cost of the Corporate Debtor.

2.12 The Applicant has prepared a report as Regulation 45 of the Insolvency and Bankruptcy Board of India (Liquidation Regulations), 2016, and the same is annexed as **Annexure-B**, consisting of following details:

- a. Conduct of the Liquidation Process
- b. Report dealing with the assets of the Corporate Debtor
- c. Statement of distribution of liquidation value to the stakeholders as per Section 53 of the Code.

2.13 The Applicant submits that the assets of the Corporate Debtor have been completely liquidated and that the present application is filed for dissolution of the Corporate Debtor under Section 54 of the Code. Compliance Certificate in Form H, is annexed and marked as **Annexure-C**.

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 Shri Bendi Raviteja, Ld. Counsel for the Liquidator and perused the record.
5. At the outset it may be stated that Section 54 of the IBC lays down the criteria for dissolution of the Corporate Debtor.



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.

6. 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).]

7. According to the Liquidator, the only asset of the Corporate Debtor is HP Laptop, Printer and mobile. The record reveals considering the nature of items and their value, going for




public sale of these properties would result in more expenditure than income, hence sale by private treaty as per section 33(2)(d) of IBC was allowed on 05.02.2024. Accordingly, the items were sold to one M/s Varsha Computers for an amount of Rs. 6000/- on 13.03.2024. According to the Liquidator from the receipts of the sale of these items, the Liquidator had satisfied the liquidation cost of the Corporate Debtor during the quarter during the quarter ended 31.03.2024.

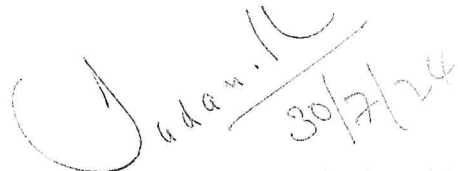
8. It is further observed that the Liquidation cost of Rs. 1,33,368/- has not been reimbursed to the Liquidator by the sole SCC member i.e. Dharmesh Gujjar and the same has been incurred by the Liquidator from his own pocket. It is also stated that the Applicant has received a total of Rs. 1,26,000/- from the suspended Directors of the Corporate Debtor and the said amount has been realised to satisfy the liquidation cost of the Corporate Debtor.
9. The Liquidator is of the opinion that when there is nothing left to recover or realise, then it is a futile exercise to continue with the Liquidation Proceedings. Hence prayed this Tribunal to order dissolution of the Corporate Debtor Company.
10. We are satisfied that the criteria laid down under law has been fully complied with. As such, the Corporate Debtor is liable to be dissolved. Hence, we hereby order dissolution of the Corporate Debtor as under: -
 - 10.1 The Corporate Debtor/**VVR INNOVATE MATERAILS** stands dissolved from the date of this Order, in terms of Section 54(1) of IBC, 2016, and the Liquidator stands relieved



- 10.2 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.
- 10.3 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.
- 10.4 The Registry is also directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data.
- 10.5 A copy of this order be also forwarded to the Insolvency & Bankruptcy Board of India, New Delhi.
- 10.6 In terms of the above, IA (Diss) No. 07 of 2024 filed by the Liquidator appointed for M/s VVR INNOVATE MATERIALS PRIVATE LIMITED (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.


(Charan Singh)

MEMBER (TECHNICAL)


30/7/24

(Dr. N. Venkata Ramakrishna Badarinath)

MEMBER (JUDICIAL)

Binnu




05/08/24

Deputy Registrar / Assistant Registrar / Court Officer
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति
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केस संख्या
CASE NUMBER... CP (IB) No. 71/9/HDB/20
निर्णय का मिति
DATE OF JUDGMENT... 30/7/24
प्रति लेखत किया गया तारीख
COPY MADE READY ON... 5/8/24

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