

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
NEW DELHI  
BENCH-VI**

**I.A- 4830/2023  
IN  
CP(IB)-969/ND/2020**

*(Under Section 54 of the Insolvency and Bankruptcy Code, 2016)*

**IN THE SETTLED MATTER OF:**

M/s Cosmic Infrsolution Pvt. Ltd.  
Ground Floor, Cabin No. 2,  
Khasra No.-265, Opposite telephone exchange,  
Mundka NEW DELHI – 110041.

...FINANCIAL CREDITOR

versus

M/s Prudential Hotels Pvt. Ltd.  
[CIN : U01403DL2006PTC151397]  
No. 5, E Block, Local Shopping Centre,  
Masjid Moth, greater Kailash-II  
New Delhi

...CORPORATE DEBTOR

**AND IN THE MATTER OF:**

Kailash Chand Gupta  
Resolution Professional  
First Floor, 14  
Rani Jhansi Road  
New Delhi, 110055  
Email:-cirp.prudentialhotels@gmail.com

... APPLICANT

**CORAM:**

**SHRI MAHENDRA KHANDELWAL (HON'BLE MEMBER, JUDICIAL)  
SHRI RAHUL BHATNAGAR (HON'BLE MEMBER, TECHNICAL)**

**Appearances:**

**For the Liquidator/Applicant:** Mr. Milan Negi & Mr. Nikhil Jha, Advocates

**ORDER**

**PER: RAHUL BHATNAGAR, MEMBER (TECHNICAL)**

**Date Of Pronouncement: 02.07.2024**

1. This is an application for dissolution of Corporate Debtor M/s Prudential Hotels Private Limited that has been filed by the Liquidator under Section 54 of the Insolvency & Bankruptcy Code, 2016 read with Regulation 45(3)(b) of The IBBI (Liquidation Process) Regulations 2016 seeking dissolution of the Corporate Debtor. The prayer made by the Liquidator in the Application is as follows: -

- a. *Dissolve the corporate debtor i.e., Prudential Hotels Pvt. Ltd. In terms of Section 54 of IBC;*
- b. *Discharge the applicant i.e., Mr. Kailash Chand Gupta, as the Liquidator of the Corporate Debtor;*
- c. *direct the RoC, Delhi to change the status of the Corporate Debtor from “under liquidation” to “dissolved”;*
- d. *pass such further direction(s) as this Adjudicating Authority may deem fit in the interest of justice.*

**2. The Liquidator has made the following submissions: -**

2.1 That an application under Section 7 of the Code was filed by the Financial Creditor (M/s Cosmic Infrsolution Pvt. Ltd.) before this Adjudicating Authority (NCLT Delhi) to initiate Corporate Insolvency Resolution Process (hereinafter referred to as “CIRP”) against the Corporate Debtor (M/s Prudential Hotels Pvt. Ltd.) being Company Petition No. (IB)-969/(ND)/2020. This Adjudicating Authority vide order dated 01.10.2021 (“Admission Order”) admitted the petition

and appointed Mr. Rahul Jain [IBBI/IP-001/IP-P02078/2020-21/13219] as the Interim Resolution Professional (“IRP”) for the Corporate Debtor.

- 2.2 That the aforementioned CIRP culminated into liquidation proceedings vide order dated 21.09.2022 passed by this Adjudicating Authority. Vide the said order, the applicant herein was appointed as the Liquidator for conducting the liquidation proceedings.
- 2.3 Pursuant to the aforesaid appointment as the liquidator, the applicant had issued public announcement on 11.10.2022 as per Form B in terms of Regulation 12 of Liquidation Regulations, inviting stakeholders to submit their claims with the Liquidator on or before 05.11.2022. These public announcements were carried out in Financial Express (English Edition) and Jansatta Newspaper (Hindi edition), both publications in Delhi-NCR region.
- 2.4 Since no claims were received by the Liquidator in response to the aforesaid publications within 30 days from the last date of receipt of claims, the Liquidator in terms of provisions of Regulation 30 of the Liquidation Regulations, verified and admitted the claim of M/s Cosmic Infrasonics Private Limited, the sole financial creditor (as was received during CIRP to the tune of Rs. 4,49,74,903/-)
- 2.5 Accordingly in terms of Regulation 31A of the Liquidation Regulations, the Stakeholders Consultation Committee (SCC) was constituted with the sole financial creditor, and a list of stakeholders was filed before this Adjudicating Authority on 19.12.2022.

2.6 The Liquidator had filed a preliminary report along with asset memorandum (both dated 19.12.2022). An updated asset memorandum dated 13.01.2023 was also subsequently filed by the Liquidator as per Regulation 34 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

2.7 Meanwhile, the Liquidator had also filed Form INC 28 with the Registrar of Companies (RoC), New Delhi pursuant to which the status of the Corporate Debtor with the RoC as displayed on the website of Ministry of Corporate Affairs was changed from “under CIRP” to “Liquidation”.

2.8 It is further submitted that the applicant had filed first progress report for the quarter ending on 31.12.2022 before this Adjudicating Authority on 13.01.2023 providing details of liquidation costs, appointment of various professionals and other developments in the ongoing matter.

2.9 Thereafter, the liquidator had initially convened the First SCC Meeting on 13.10.2022 to be conducted at 4pm via video conferencing, however due to non-availability of the sole SCC Member, the said meeting was rescheduled on 16.02.2023, wherein the SCC approved the appointment and fees of Registered Valuers (RV).

2.10 The Liquidator had thereafter appointed the following 2 Registered Valuers: -

- (i) CA Aditi Aggarwal [IBBI/RV/02/2019/11273] **(RV 1)**
- (ii) CA Shagun Gupta [IBBI/RV/06/2020/13119] **(RV 2)**

2.11 The valuation reports were submitted by the aforementioned RV's dated 29.12.2022 and 31.12.2022 respectively, both of whom have used the Net Asset Value (NAV) method in conducting the valuation. Based on the valuation(s) provided, the Liquidator has arrived at the average fair value as per Regulation 35 of the Liquidation Regulations in the following manner: -

	Valuer-I	Valuer-II	Average Value
Fair Value	Rs. 5,67,076	Rs. 5,77,799/-	Rs.5,72,438/-
Liquidation Value	Rs. 4,25,307	Rs. 4,62,239/-	Rs.4,43,773/-

2.12 In compliance of order of this Adjudicating Authority dated 13.09.2023, the Liquidator via affidavit dated 25.10.2023, has made the following submissions: -

- (i) That the valuation exercises conducted by both the aforementioned RV's was in consonance with the Net Asset Value (NAV) Method, which is a widely adopted industry standard. Both the RV's have taken into consideration the declaration in the financial statements of M/s Smart Tourism Private Limited that the loans & advances and trade receivables are non-recoverable in nature, as the same are time barred for being over 5 years old. Therefore, the Net Realizable Value has been considered as **nil** by both the RV's.
- (ii) That the liquidator has accepted the values as provided by both the RV's as they have been computed by registered professionals, and accordingly

has proceeded to derive the average liquidation value of the said equity shares in accordance with law.

2.13 As per the valuation reports submitted by the RV's, the only asset to be sold under Regulation 32 of the Liquidation Regulations was non-current investments i.e. 39,69,911 equity shares of face value @ Rs. 10/- each, in M/s Smart Tourism Private Limited whose average value came out to be Rs. 4,43,773/-. The SCC advised to sell off the said asset in terms of Regulation 31A(1)(b) on a standalone basis through e-auction.

2.14 Thereafter, on 24.02.2023, the Liquidator had made a public announcement for e-auction of the non-current investments to be conducted a month later i.e. on 24.03.2023 in the Delhi NCR Region publication of the following newspapers: -

- (i) "Financial Express" (English Language)
- (ii) "Jansatta" (Hindi Language)

2.15 In response to the aforesaid e-auction, after executing the Process Document, Qualified Bidders were declared. Amongst the qualified bidders, only one entity namely M/s Standard Infracap Services had submitted the Earnest Money Deposit (EMD) of Rs. 44,500/- (10% of the Reserve Price) in regard to the non-current investments.

2.16 Thereafter, on 24.03.2023, the e-auction was conducted, and M/s Standard Infracap Services was declared as the highest bidder for Rs. 4,50,000/- pursuant

to which a Letter of Intent (LOI) was issued by the Liquidator on the e-auction date. Further, the successful bidder, while unconditionally accepting the LOI, made the balance payment on 25.04.2023 in the bank account of the Corporate Debtor. Thereafter, the liquidator had issued a sale certificate in favour of M/s Standard Infracap Services (successful bidder), in terms of bid document & LOI.

2.17 Thereafter, the 2<sup>ND</sup> SCC Meeting was held on 08.06.2023, wherein the Liquidator had apprised the SCC regarding successful completion of the aforesaid e-auction. It was further intimated by the Liquidator to the SCC that the audit of accounts of the Corporate Debtor for the Financial Year(s) 2020-21, 2021-22 and till the liquidation commencement date i.e. 21.09.2022, has been completed by M/s Vijay Raj & Co. (Chartered Accountants) who have submitted the audited financial statements. The SCC thereafter urged the liquidator to wind up the liquidation proceedings at the earliest and initiate dissolution of the Corporate Debtor.

2.18 The Liquidator had thereafter distributed the sale proceeds amongst the stakeholders of the Corporate Debtor in accordance with the Waterfall Mechanism as stipulated u/s 53 of the IBC in the following manner (relevant recipients mentioned): -

Stakeholders	Amount Claimed	Amount Admitted	Amount Distributed
Under Section 53(1)			
(a)Liquidation Costs			Rs. 8,13,000/-

(d) Financial Debts owed to unsecured creditors	Rs. 4,49,75,000/-	Rs. 4,49,75,000/-	Rs. 23,000/-
<b>TOTAL</b>	Rs. 4,49,75,000/-	Rs. 4,49,75,000/-	Rs. 8,36,000/-

2.19 Finally the 3<sup>rd</sup> SCC Meeting was convened on 12.07.2023, wherein the Liquidator apprised the SCC that the assets of the Corporate Debtor had been completely liquidated and nothing remained to be realized or distributed further.

2.20 Thereafter, the bank account of the Corporate Debtor maintained with Axis Bank in the name of “Prudential Hotels Private Limited” bearing A/C No. 923020000108030, which had been opened on 02.01.2023 was closed on 11.08.2023 and an account closure confirmation letter dated 22.08.2023 had been provided by Axis Bank.

2.21 Subsequently, the 2<sup>nd</sup> Progress Report for the quarter ending 31.03.2023 was filed before this Adjudicating Authority on 15.04.2023. Following which, the 3<sup>rd</sup> Progress Report for the quarter ending 30.06.2023 was filed before this Adjudicating Authority on 10.07.2023.

2.22 In compliance of Regulation 45 of the Liquidation Regulations, the liquidator had prepared the final report containing the liquidation statement of assets and its realization and distribution as per Section 53 of the IBC, which has been marked as Annexure 15 to the present petition.



2.23 It is further contended that no litigation is pending by or against the Corporate Debtor.

2.24 The Liquidator had intimated the RoC on 18.10.2022 whereas there was no claim from the Income Tax Department during the CIRP.

2.25 In compliance of the Regulation 45(3) of Liquidation Regulations, Compliance Certificate in Form H has been filed with the present petition.

2.26 That in view of the above facts and circumstances, the applicant prayed to dissolve the Corporate Debtor by allowing the present application. It is further prayed that the applicant/liquidator be kindly discharged of her duties as the liquidator.

### **ANALYSIS AND FINDINGS**

3. We have heard the submissions made by the Applicant, perused the Application filed by the Liquidator and have gone through the documents on record filed by the Liquidator. Here, it is worthwhile referring to Section 54 of IBC, 2016 and Regulation 45 IBBI (Liquidation Process) Regulations, 2016:

#### ***“Section 54 IBC-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.”*

**“IBBI (Liquidation Process) Regulations, 2016**

**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).”*

4. That from the conjunct reading of the above provisions, this Adjudicating Authority is required to see whether the assets of the Corporate Debtor are completely liquidated or not. In this case, the assets of the CD have been completely liquidated and the proceeds thereof have been distributed amongst the various stakeholders in accordance with order of priority as per Section 53 of The Insolvency and Bankruptcy Code, 2016 [Waterfall Mechanism].

5. The Liquidator has fulfilled Regulation 45 of IBBI (Liquidation Process) Regulations, 2016 and other relevant provisions of law as discussed above,

therefore we are inclined to allow the present Application to dissolve the Corporate Debtor.

6. Accordingly, there being no other impediment, the present application is **allowed** and the Corporate Debtor is ordered to be dissolved with immediate effect. The Liquidator, Mr. Kailash Chand Gupta (IBBI/IPA-001/IP-P-02071/2020-21/13205) is hereby discharged from his duties as the liquidator in the present case.
7. The Registry is directed to send a copy of this order passed under Section 54(2) to the ROC Delhi & Haryana, with which the Corporate Debtor is registered and also to the Insolvency and Bankruptcy Board of India within seven days from the date of this order.
8. Application for dissolution of M/s Prudential Hotels Private Limited stands **allowed**.
9. Let the copy of the order be served to the parties.

Without costs.

-SD/-

**(RAHUL BHATNAGAR)**  
**MEMBER (TECHNICAL)**

-SD/-

**(MAHENDRA KHANDELWAL)**  
**MEMBER (JUDICIAL)**