

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**AHMEDABAD**  
**COURT - 2**

ITEM No.302  
IA/856(AHM)2022  
in  
CP(IB) 78 of 2019

**Proceedings under Section 54(1) IBC r.w Regulation 45(3) of IBBI, 2016**

**IN THE MATTER OF:**

Pinakin Shah Liquidator for Reds Marine Services Limited .....Applicant

.....Respondent

**Order delivered on: 10/06/2024**

**Coram:**

**Mrs. Chitra Hankare, Hon'ble Member(J)**

**Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)**

**ORDER**

The case is fixed for pronouncement of order.

The order is pronounced in open Court vide separate sheet.

-Sd-

**DR. V. G. VENKATA CHALAPATHY**  
**MEMBER (TECHNICAL)**

-Sd-

**CHITRA HANKARE**  
**MEMBER (JUDICIAL)**

**BEFORE THE ADJUDICATING AUTHORITY  
THE NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD (COURT - II)**

**IA/856/(AHM)2022**

**With**

**CP(IB) No. 78 / NCLT / AHM / 2019**

(An application filed under section 54 of the Insolvency and bankruptcy Code,2016.)

**In the Matter of:**

Mr. Pinakin Shah  
Liquidator of Reds Marine Services Limited,  
A/201, Siddhi Vinayak Towers,  
Next to Kataria House, off S. G. Highway,  
Makarba, Ahmedabad-380051,

....Applicant

**And in the matter of:**

Religare Finvest Limited  
2<sup>nd</sup> Floor, Rajkot Building,  
24, Nehru Place,  
New Delhi-110019

... Financial Creditor

Versus

REDS Marine Services Limited.  
(formerly known as pipavav Engineering and  
Defence Services Limited)  
Survey No.658, Vill. Rampara-II,  
Taluka Rajula, Vill Lunsapur,  
Taluka Jafraabad, Amreli-365560

... Corporate Debtor

**Order pronounced on 10.06.2024**

**CORAM:**

**MRS. CHITRA HANKARE  
HON'BLE MEMBER (JUDICIAL)**

**DR. V. G. VENKATA CHALAPATHY  
HON'BLE MEMBER (TECHNICAL)**

**Present:**

For the Applicant : Mr. Pawan Godiawala, Adv.

**JUDGEMENT**

1. The Present Application is filed by Mr. Pinakin Shah, Liquidator of Corporate Debtor, M/s Reds Marine Services Limited under Section 54 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "IB Code") with a prayer to dissolve the Corporate Debtor i.e M/s Reds Marine Services Limited.
2. The brief facts of the case are as under:-
  - a) The Financial Creditor, Religare Finvest Limited had filed an application under Section 7 of the IB Code, 2016 for initiation of Corporate Insolvency Resolution Process (hereinafter referred to as "CIRP") against M/s Reds Marine Services Limited, which was admitted vide order dated 06.11.2020 in CP(IB) 78 of 2019 and Mr. Pinakin Shah was appointed as Interim Resolution Professional (hereinafter referred to as "IRP").

- b) Due to non receipt of any viable resolution plan CoC decided to go for liquidation of the Corporate Debtor, after due consideration CoC resolved to liquidate the Corporate Debtor and accordingly Resolution Professional filed an application for liquidation bearing IA No. 364 of 2021 which was allowed vide an order dated 14.09.2021 and appointed applicant herein as a liquidator.
- c) It is stated that liquidator has made public announcement as contemplated under Regulation 12 of IBBI (Liquidation Process) Regulations, 2016 for inviting claims from all the creditors. The copy of public announcement in Form-B is annexed with the present application. Two claims were received from the stakeholders and accordingly on 03.11.2021, as per Form-H, Stakeholder Consultation Committee was formed by the liquidator.
- d) It is submitted that applicant herein filed preliminary report dated 06.12.2021 under Regulation 13 and asset memorandum dated 06.12.2021 under Regulation 34, which comprised loans and advances, filed before this Adjudicating Authority.
- e) It is submitted by the liquidator that there was no fixed assets

in the name of CD and therefore no sale auction notice was issued by him. Therefore no valuer was appointed by the liquidator.

3. In compliance with Regulation 45 of the IBBI (Liquidation Process) Regulations, 2016 the liquidator has filed the Final Report dated 17.03.2022.
4. In compliance with Regulation 45 of the IBBI (Liquidation Process) Regulations, 2016, the liquidator has filed the compliance certificate in the Form-H wherein the Fair Value and Liquidation Value mentioned as NA as there was no assets. It is also mentioned that total admitted amount is Rs. 8,63,262/- against the total claim amount of Rs. 8,63,262/-. As stated in receipt and payment account, certified by independent Chartered Accountant namely Purvi Jignesh Shah & Co., total receipt to be recovered is Rs. 8,63,262/- and total Payment to be made is Rs. 8,63,262/- which includes professional fees, advertisement expenses, Liquidator Remuneration and other expenses.
5. Liquidator vide letter dated 25.03.2022 had written to the Union Bank of India for closure of current account. Liquidator has not opened separate bank account for liquidation, the existing current

account of the Corporate Debtor has been converted into liquidation account. Further, it is seen from Form-H that the applicant/liquidator has not filed any Application under Section 43, 45, 50 and 66 of the Insolvency and Bankruptcy Code, 2016. No other IAs are pending in the matter.

6. Pursuant to notice served upon the Income Tax Department, the Income Tax Department filed its report/reply on 25.04.2023 stating that there is no demand and no proceedings are pending against the Reds Marine Services Limited. No reply/report from the office of the Registrar of Companies received.
7. Heard Ld. Counsel for the liquidator.
8. On perusal of application it is found that applicant has stated that recovery proceedings were distributed to stakeholders as per Section 53 of IBC. However it appears that there was no liquid balance available. Also it is not clear whether the order dated 30.06.2022 is compiled or not as regards payment of Liquidation cost and other cost by one of the creditor. The Liquidator stated that some minor amount was available to meet the cost. This Tribunal directed the liquidator to submit a detailed statement of amount of assets available and recovery done during the process of CIRP and during

the liquidation period. Therefore this Tribunal listed this matter for clarification on 28.11.2023.

9. Pursuant to order dated 28.11.2023 passed by this Tribunal Liquidator filed reply by way of affidavit clarifying the above points but again the affidavit filed by the liquidator is not clarifying all the points and previous order. Pursuant to an order dated 17.04.2024, Liquidator filed clarification affidavit. The contents of clarification affidavits are satisfied and the affidavit is taken on record. As stated in clarification affidavit there was nil realization from assets, hence there was nil distribution to stakeholders.
10. It is observed from submissions that while the due liabilities were far high than the assets, the creditors were not paid their due amount and there were no assets to be recovered at the time of distribution. Stake holders committee issued notice on 25.03.2022 to take the decision to dissolve the entity but no minutes of meeting showing any such decisions is filed on record. The SCC final meeting was convened on 25.03.2022, but the recommendation for dissolution of the Corporate Debtor was not obtained. The matter is not clear whether the dues were written off by the creditors or the amounts recovered. The Liquidator has also not been able to distribute the

residual amount proposed to be distributed. There is no response from RoC on the notice issued.

11. Accordingly, in exercise of the power conferred under Section 54(1) of the IBC, 2016 we pass the following order:

**ORDERS**

- 1) IA 856 of 2022 in CP(IB) 78 of 2019 is rejected.

-Sd-

**DR.V. G. VENKATA CHALAPATHY**  
**MEMBER (TECHNICAL)**

-Sd-

**CHITRA HANKARE**  
**MEMBER (JUDICIAL)**