

IBC DOSSIER

Bulletin on Landmark Judgments under IBC, 2016



In the matter of M/s. Male Square Retail Pvt. Ltd.

Brief Facts

In the present case, Mr. Rahul N. Shah, the appointed liquidator of Male Square Retail Pvt. Ltd., submitted the application, IA No. 383 of 2023, as part of the wider case CP(IB) No. 39/NCLT/AHM/2020. The application was brought under Section 54 of the Insolvency and Bankruptcy Code (IBC) of 2016, seeking an order to dissolve the corporate debtor. The relief sought includes approval of the dissolution application and any further orders deemed necessary in the interest of justice.

Male Square Retail Pvt. Ltd. was founded on June 18, 2013, under the Companies Act of 1956, with its registered office in Ahmedabad, Gujarat. The insolvency proceedings commenced when Mr. Hardik Fakirchand Shah, an operating creditor, filed an application under Section 9 of the IBC, 2016, to initiate the Corporate Insolvency Resolution Process (CIRP) against the company. On April 27, 2022, the Tribunal accepted the application, launching the CIRP and selecting Mr. Rahul Nareshbhai Shah as the Interim Resolution Professional (IRP).

Due to the lack of major assets other than loans and advances, the Committee of Creditors (CoC) decided to begin the liquidation process at its third meeting on August 16, 2022. An interlocutory application, IA No. 731 of 2022, was filed, and on November 1, 2022, the Tribunal ordered the company's liquidation, appointing

Mr. Shah as liquidator. On December 7, 2022, public announcements inviting claims from stakeholders were published in both English and Gujarati editions of the "Financial Express" newspaper.

On July 1, 2022, as part of the liquidation procedure, the liquidator opened a new Canara Bank account in the name of the corporate debtor 'in liquidation'. The liquidation procedure ended with no assets realised or reclaimed. A total of ₹2,00,81,867 was admitted, resulting in a final admitted sum of ₹1,98,37,867. One member of the Stakeholders' Consultation Committee (SCC) contributed ₹1,00,000 to cover CIRP and liquidation charges, resulting in a nil balance.

Decision

The liquidator confirmed that the liquidation bank account will be closed on May 17, 2024, as directed by the Tribunal. At closure, the account had a \$0 balance. After evaluating the final report and compliance certificate, the Tribunal determined that the company's assets had been entirely liquidated and that no additional assets were available for disposal. Consequently, the Tribunal ordered the dissolution of Male Square Retail Pvt. Ltd. under Section 54(1) of the IBC, 2016.

The Tribunal further asked the Registry and liquidator to notify the Registrar of Companies (RoC), the Income Tax Department, and the Insolvency and Bankruptcy Board of India (IBBI) within seven days. Mr. Rahul N. Shah, the liquidator, was relieved of his duties, and the application IA No. 383 of 2023 was accepted and dismissed, resulting in the official dissolution of Male Square Retail Pvt. Ltd.

Link of the Order

<https://ibbi.gov.in/uploads/order/fbb0f486ea34da6b3b110a74dd583492.pdf>



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