

**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
SINGLE BENCH, CHENNAI**

MA/559/2019 filed in CP/661/IB/2017  
under Section 33(2) of the Insolvency and  
Bankruptcy Code, 2016

In the matter of **M/s. RLS Alloys Private Limited**

**Mr. Ramasamy Shanmuggam**

*... Applicant/ Resolution Professional*

Order delivered on 14<sup>th</sup> of June, 2019

CORAM :

**CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)**

For Resolution Professional : Mr. A.G.Sathyanarayana, Counsel  
Resolution Professional : Mr. Ramasamy Shanmuggam, in person

ORDER

CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)

1. This relates to MA/559/2019 in CP/661/IB/2017 filed under Section 33(2) of the Insolvency and Bankruptcy Code, 2016, (in short I&B Code, 2016) by the Applicant/Resolution Professional.



2. The prayers made by the Resolution Professional are as follows:-

- i. *To pass an order for Liquidation of the Corporate Debtor (M/s.RLS Alloys Private Limited).*
- ii. *To appoint the Resolution Professional as Liquidator for administering the Liquidation Process of the Corporate Debtor and*
- iii. *To pass such other orders which may be deemed fit and proper.*

3. Originally, the Operational Creditor viz., M/s. Foseco India Limited filed CP/661/IB/2017 under Section 9 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, against Corporate Debtor viz., M/s.RLS Alloys Private Limited, to admit the Application, to declare moratorium and appoint Interim Resolution Professional (IRP). This Authority vide Order dated 03.12.2018, admitted the Application, initiated the CIR





Process against the Corporate Debtor, declared moratorium and appointed the Applicant viz., Mr. Ramasamy Shanmuggam as IRP.

4. Pursuant to the Order of this Authority dated 03.12.2018, the IRP took over the management of the Corporate Debtor and on 13.12.2018 had issued the Newspaper Publication in two edition one in English and another in vernacular as per Regulation 6 (1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Debtor) Regulations, 2016, by inviting the claims from the creditors and constituted Committee of Creditors (CoC). In the 1<sup>st</sup> Meeting of the CoC held on 18.01.2019, the Applicant was appointed as Resolution Professional.

5. It is averred that in the 3<sup>rd</sup> Meeting of the CoC held on 25.04.2019, the CoC has recommended for appointment of

Valuers and to issue Expression of Interest (EoI) in Form-G.

Accordingly, the Resolution Professional had made



newspaper publication inviting 'EoI' from the proposed Resolution Applicants for submitting the Resolution Plan in respect of Corporate Debtor.

6. In response to the newspaper publication, the Resolution Professional has received two 'EoI' from MAK Auto Services and FERROSCO Industries Private Limited. The Resolution Professional has placed both the 'EoI' before the CoC in its 4<sup>th</sup> Meeting held on 28.05.2019. The CoC after the deliberations has rejected both the 'EoI' as not fulfilling the criterion. Therefore, the Sole Financial Creditor having 100% voting unanimously decided that there is no chance of revival of the business, as the major part of the machinery has been in dilapidated, worn out condition and the business was not run by the Promoters for more than 5 years.

7. In 4<sup>th</sup> Meeting of the CoC held on 28.05.2019, the CoC unanimously passed the Resolution for Liquidation of the





Corporate Debtor. The Resolution passed by the CoC is as follows:

*"The CoC resolved to initiate the process of liquidation of the Company as per Section 33(2) of Insolvency and Bankruptcy Code, 2016 and the Resolution Professional of RLS Alloys Private Limited (Mr. Ramasamy Shanmuggam) be hereby authorized to file an application in this connection with the Adjudicating Authority at the earliest.*

*It is resolved that the Committee of Creditor appointed the Resolution Professional (Mr. Ramasamy Shanmuggam) as a Liquidator of RLS Alloys Private Limited and was approved by 100% voting of Committee of Creditors."*

8. Accordingly, the Resolution Professional has filed the present MA/559/2019 in CP/661/IB/2017 seeking order for liquidation of the Corporate Debtor viz., M/s.RLS Alloys Private Limited. Since, no Resolution Plan has been received by this Authority under Sub-section (6) of Section 30 of the I&B Code, 2016, before the expiry of the maximum



period of 180 days of CIR Process, the Corporate Debtor has to be ordered for Liquidation.

**ORDER**

9. In view of the facts and circumstances recorded by the Resolution Professional in MA/559/2019 filed in CP/661/IB/2017 and in exercise of powers conferred under Sub-Clauses (i) (ii) and (iii) of Clause (a) of Sub-Section (1) of Section 33 of the I&B Code, 2016, this Authority proceeds to pass the Liquidation Order as follows:-

- I. This Authority orders for liquidation of the Corporate Debtor viz., M/s. RLS Alloys Private Limited.
- II. This Authority appoints the Resolution Professional viz., Mr. Ramasamy Shanmuggam as Company Liquidator, who shall issue a public announcement stating therein that the Corporate Debtor is in liquidation;



- III. The moratorium declared under Section 14 of the I&B Code, 2016, shall cease to have effect from the date of the order of liquidation;
- IV. Subject to Section 52 of the I&B Code, 2016, no suit or other legal proceedings shall be instituted by/or against the Corporate Debtor. However, a suit and other legal proceedings may be instituted by the Liquidator, on behalf of the Corporate Debtor, with the prior approval of this Authority.
- V. This Authority makes it clear that Para (IV) hereinabove shall not apply to legal proceedings in relation to such transactions as notified by the Central Government in consultation with any financial sector regulator.





VI. This Order shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor, except when the business of the Corporate Debtor is continued during the liquidation process by the Liquidator.

VII. All the powers of the Board of Directors, Key Managerial Personnel and the Partners of the Corporate Debtor, as the case may be, shall cease to have effect and shall be vested with the Company Liquidator viz., Mr. Ramasamy Shanmuggam.

VIII. The personnel of the Corporate Debtor shall extend all assistance and co-operation to the Liquidator as may be required by him in managing the affairs of the Corporate Debtor.

IX. The Company Liquidator shall be entitled to charge such fees for the conduct of the





liquidation proceedings and in such a proportion to the value of the liquidation estate assets as specified under Regulation 4 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

- X. Copy of this Order shall be sent to the concerned Registrar of Companies, RD, OL, and Registered Office of the Corporate Debtor by the Company Liquidator viz., Mr. Ramasamy Shanmuggam for information and compliance.

10. In terms of the above, MA/559/2019 filed in CP/661/IB/2017 by the Resolution Professional under Section 33 (2) of the I&B Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz., M/s.RLS Alloys Private Limited, stands **allowed**.



11. The Registry is directed to send a copy of this Order to the Company Liquidator with immediate effect for information and compliance.

12. Order is pronounced in open Court.

P. ATHISTAMANI

-SD-  
[CH.MOHD SHARIEF TARIQ]  
MEMBER (JUDICIAL)



Certified to be True Copy

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