

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
 “CHANDIGARH BENCH, CHANDIGARH”  
 (EXERCISING THE POWERS OF ADJUDICATING AUTHORITY  
 UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016)**

**CA No. 443/2018  
 IN  
 CP (IB) No.38/Chd/Pb/2018  
 Under Section 33 (2) of the  
 Insolvency & Bankruptcy  
 Code, 2016**

**In the matter of:**

**JULKA RICE AND OIL MILLS LIMITED,**  
 having its registered office at A-Block,  
 Julka Nagar, Qadian, District Gurdaspur,  
 Punjab – 143516.

....Corporate Debtor.

**Order delivered on: 16.10.2018**

**Coram: HON’BLE MR. JUSTICE R.P. NAGRATH, MEMBER (JUDICIAL)  
 HON’BLE MR. PRADEEP R. SETHI, MEMBER (TECHNICAL)**

For the Resolution Professional: 1) Dr. Rajansh Thukral, Advocate  
 2) Mr. Rajesh Kumar Loomba,  
 Interim Resolution Professional

**Per: R.P. Nagrath, Member (Judicial):**

**ORDER (ORAL)**

The petition filed by M/s Julka Rice and Oil Mills Limited under Section 10 of the Insolvency & Bankruptcy Code, 2016 (for short to be referred here-in-after as the ‘Code’) was admitted by this Tribunal on 05.04.2018 declaring the moratorium in terms of Section 14 (1) of the Code and Mr.Ashutosh Mishra, registered professional was appointed as the Interim Resolution Professional (IRP) vide order dated 11.04.2018 with necessary directions. Thereafter an application was filed by the Financial Creditor,

Punjab National Bank for replacement of the Interim Resolution Professional, which was allowed on 28.05.2018 and Mr.Rajesh Kumar Loomba, Resolution Professional was appointed as the Resolution Professional.

2. The instant application has been filed by the Resolution Professional under Section 33 (2) of the Code read with Regulation 3 of the Insolvency and Bankruptcy Board of India (Liquidation Process), Regulations, 2016.

3. It is stated that the Interim Resolution Professional caused public announcement on 13.04.2018 in two newspapers i.e. Financial Express (English Edition) and Rozana Spokesman (Punjabi Edition) and after collating the claims constituted a Committee of Creditors (CoC). Various steps, which have been taken by the IRP and the RP have been elaborated in the instant application. The draft Information Memorandum was also placed before the CoC in the second meeting. Two valuers were also appointed for the purpose of valuation of the corporate debtor, who did not respond and later on both of them refused to take up the assignment. On the recommendation of the CoC, other two valuers were appointed and they have submitted the reports of valuation.

4. It is further stated that the 3<sup>rd</sup> meeting of the CoC was held on 13.07.2018. The Information Memorandum was finalized and the details of submitting the Information Memorandum were discussed. The eligibility norms for invitation of Expression of Interest (EOI) from the prospective Resolution Applicants was also discussed along with the discussion on the evaluation matrix.

5. The Resolution Professional published the Invitation for Expression of Interest under Regulation 36 A (1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 in Form G in two newspapers i.e. Financial Express (English) and Rozana Spokesman (Punjabi). Fourth and fifth meetings of CoC were held on different dates and copies of the minutes are at Annexures A-7 and A-8.

6. In the Sixth meeting of CoC held on 17.09.2018, the committee noted that no expression of interest was received from any prospective applicant upto 01.08.2018, the last date of receipt of the same. The matter was discussed and the CoC decided to liquidate the company. Details of the resolutions passed in the said meeting have been described and copies of the minutes of the meeting are at Annexure A-9. Thereafter, the Seventh meeting of the CoC was also held with regard to the fixing of the fee of the Liquidator. The committee decided that the RP shall act as the Liquidator in case of liquidation of the company and he has given his consent in Form AA, copy of which is at Annexure A-11 as required by Section 34 (1) of the Code.

7. We have heard learned counsel for the Resolution Professional and perused the records.

8. Section 33(2) of the Code says that where the Resolution Professional, at any time during the CIRP but before confirmation of resolution plan, intimates the Adjudicating Authority of the decision of the Committee of Creditors approved by not less than 66% of the voting share to liquidate the corporate debtor, the Adjudicating Authority shall pass a liquidation order as

referred in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 33 of the Code.

9. In the present case the period of 180 days permissible for completion of the insolvency resolution process was going to expire on 02.10.2018, but before that the CoC resolved to liquidate the corporate debtor. Finding no response from any quarter with regard to the submission of the resolution plan.

10. In view of the above, we order the liquidation of the corporate debtor M/s Julka Rice and Oil Mills Limited and appoint Mr. Rajesh Kumar Loomba, Resolution Professional as the Liquidator for the purpose of liquidation of the corporate debtor, in terms of Section 33(2) of the Code. His appointment will take effect from the date of receipt of copy of this order.

11. It is further observed that all the directions/requirements and provisions of Chapter III of the Code and Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (hereinafter referred to as Liquidation Process) Regulations, 2016 shall be strictly complied with. Some of the directions are noted as under:-

- (i) That as per Section 33(5) of the Code and subject to Section 52 of the Code, no suit or other legal proceedings shall be instituted against the corporate debtor;

Provided that a suit or other legal proceedings may be instituted by the liquidator on behalf of the corporate debtor, with the prior approval of the Adjudicating Authority;

- (ii) That the provisions of sub-section (5) of Section 33 of the Code shall not apply to legal proceedings in relation to such

transactions as may be notified by the Central Government in consultation with any financial sector regulator;

- (iii) That this order of liquidation under Section 33 of the Code 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;
- (iv) That 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 in the liquidator; and
- (v) That the personnel of the Corporate Debtor shall extend all assistance and cooperation to the Liquidator as may be required by him in managing the affairs of the Corporate Debtor and provisions of Section 19 of the Code shall apply in relation to voluntary liquidation process as they apply in relation to liquidation process with the substitution of references to the liquidator for references to the Interim Resolution Professional.

12. The Liquidator shall publish public announcement in accordance with Regulation 12 of the Liquidation Process Regulations, 2016 and in Form B of Schedule II of these Regulations within five days from receipt of this order calling upon the stakeholders to submit their claims as on liquidation commencement date and provide the last date for submission of claim which shall be 30 days from the liquidation commencement date.

13. It is further directed that the announcement shall be published in accordance with Regulation 12(3) as under:-

- “(a) In one English and one regional language newspaper with wide circulation at the location of the registered office and principal office, if any, of the corporate debtor and any*

*other location where in the opinion of the liquidator, the corporate debtor conducts material business operations;*

- (b) on the website, if any, of the corporate debtor; and*
- (c) on the website, if any, designated by the Board for this purpose.”*

14. In accordance with Regulation 13 of the Liquidation Process Regulations, 2016, the ‘Liquidator’ shall file his preliminary report within 75 days and to file regular progress reports as per Rule 15 of the Liquidation Process Regulations 2016 every fortnightly thereafter.

15. It is clarified that the Financial Creditors are not debarred from having recourse to enforce the personal guarantees and to take proper steps in this regard.

Copy of this order be supplied to the learned counsel for the Resolution Professional as well as to the Registrar of Companies, Punjab and Chandigarh immediately. Consequently, CA No.443 of 2018 stands disposed of.

Sd/-  
(Pradeep R. Sethi)  
Member (Technical)

Sd/-  
(Justice R.P. Nagrath)  
Member (Judicial)

October 16, 2018.  
Ashwani