

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD**

**IA No.79/2021
In
CP(IB)No.388/9/HDB/2019**

In the matter of: ROYALOAK STEELS PRIVATE LIMITED

Mr. Rajkumar Mahto
Krishna Kewal Housing Society,
Flat No.16, Kondhawa Khurd,
Near Dominos Pizza, Pune, Maharashtra -411048
(Resolution Professional of Royaloak Steels Private Limited)

...Applicant

Date of Order: 22.01.2021

**Coram: Madan B. Gosavi, Member Judicial.
Dr. Binod Kumar Sinha, Member Technical**

Parties/Counsel(s) Presents:

For the Applicant: Mr. Rajkumar Mahto, RP

[Per Bench]

ORDER

1. The present Application bearing IA No. 79/2021 in CP(IB)No.388/9/HDB/2019 is filed by Resolution Professional inter-alia praying to approve the liquidation of the Corporate Debtor in terms of section 33(1) of the Insolvency and Bankruptcy Code, 2016.
2. Brief facts as stated by the counsel for the Applicant are as follows:-
 - a. That M/s. Aadit Metal Trade Private Limited (Operational Creditor) filed CP(IB)No.388/9/HDB/2019 against M/s. Royaloak Steels Private Limited(Corporate Debtor) under Section 9 of the IB Code and vide order dated 15.10.2019, this Adjudicating Authority admitted the said Application and Mr. Rajkumar Mahto was appointed as the Interim Resolution Professional.



- b. That in the 2nd CoC meeting, held on 14.12.2019, the Applicant herein was confirmed as Resolution Professional by unanimous decision of CoC.
- c. That on 31.10.2019, the IRP has given a public announcement in Financial Express (English Edition) & Nav Telangana (Telugu Edition) calling for claims from all creditors on or before 14.11.2019. However, no claims were received from any of the Financial Creditors in spite of intimation made of them. Claim from only one Operational Creditor was received, which has been verified and admitted to the extent of Rs.3,89,13,303/- .
- d. That on the basis of claim received by the sole Operational Creditor, RP constituted the CoC and the same has been informed to this Adjudicating Authority on 14.01.2020.
- e. That advertisement for invitation of EoI was issued on 13.02.2020 in Financial Express (English Edition) & Nava Telangana (Telugu Edition) at Hyderabad.
- f. However, to publication of EoI dated 13.02.2020, only one response is received from M/s. Shyam Steel Industries Limited. The RP forwarded the net worth criteria requirement as fixed by the CoC (i.e EMD of Rs.10 Lacs and Net worth of Rs.50 Lacs) for the EoI but no further reply has been received from M/s. Shyam Steel Industries Limited.
- g. That on 24.07.2020, in view of no Resolution Applicant in sight, the Resolution Professional called up a meeting of CoC (5th CoC) dated 24.07.2020, during which the CoC with 100% votes has resolved for liquidation of the Corporate Debtor and has also resolved to continue the RP to act as 'Liquidator' of the Company.
- h. That CoC in its 5th meeting held on 24.07.2020 has resolved as under:-

Agree



“RESOLVED THAT in view of no Resolution Plan came forward by any Resolution Applicant, the Resolution Professional be and is approved to apply for Liquidation of the company with Hon’ble Adjudicating Authority, Hyderabad.”

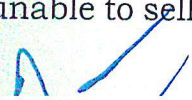
“RESOLVED THAT Mr. Raj Kumar Mahto with his IBBI Registration number as IBBI/IPA-002/IP-N00723/2018-19/12209, be and is hereby approved to work as a liquidator subject to approval of Hon’ble Adjudicating Authority Hyderabad.”

3. Heard the RP and perused the records.
4. In view of the facts and circumstances as recorded by RP in IA No. 79 of 2021 filed in CP(IB) No. 388/9/HDB/2019, this Adjudicating Authority did not receive any Resolution Plan under Sub-Section (6) of Section 30 of the I&B Code, 2016, this Adjudicating Authority deems it proper to allow the Application bearing IA No. 79/2021 as prayed for. Accordingly, in exercise of powers conferred under Sub-Clauses (i), (ii) and (iii) of Clause (b) of Sub-Section (1) of Section 33 of the I&B Code, 2016, we proceed to pass Order as follows:—

- (i) This Adjudicating Authority hereby order for Liquidation of M/s. Royaloak Steels Private Limited, which shall be conducted in the manner as laid down in Chapter III of part II of the I&B Code, 2016;
- (ii) This Adjudicating Authority hereby appoint Mr. Rajkumar Mahto who has given his consent dated 18.07.2020 to act as Liquidator in the present case. He is further directed to file the Authorisation for Assignment (AoA) within 7 days from date of this order. He shall issue a public announcement stating therein that the Corporate Debtor is in Liquidation;

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- (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) We make 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 in the Company Liquidator viz., Mr. Rajkumar Mahto. In addition to this, the Company Liquidator shall exercise the powers and duties as enumerated in Sections 35 to 50, 52 to 54 of the I&B Code, 2016, r/w Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- (viii) The personnel of the Corporate Debtor shall extend all assistance and co-operation to the Company Liquidator as may be required by him in managing the affairs of the Corporate Debtor.
- (ix) The Liquidator shall keep in view the provisions of Regulation 32A of Insolvency and Bankruptcy Board Of India (Liquidation Process) Regulations, 2016 and shall endeavour to first sell the Corporate Debtor or its business as going concern. However, if he is unable to sell



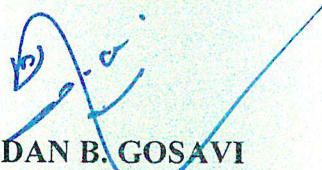
the Corporate Debtor or its business within 90 days from liquidation commencement date, Liquidator shall proceed to sell the assets of the Corporate Debtor under clauses (a) to (d) of Regulation 32 of Insolvency and Bankruptcy Board Of India (Liquidation Process) Regulations, 2016.

- (x) The Company Liquidator shall be entitled to charge such fee for conducting the Liquidation proceedings in such a proportion to the value of the Liquidation estate assets as specified by the Board under Regulation 4(3) of IBBI (Liquidation Process) Regulations, 2016. Accordingly, the fees for conducting the Liquidation proceedings shall be paid to the Company Liquidator from the proceeds of the Liquidation estate.
- (xi) Copy of this Order shall be sent to the concerned Registrar of Companies, RD, OL, Registered Office of the Corporate Debtor and Company Liquidator viz., Mr. Rajkumar Mahto for information and compliance.
- (xii) Registry is directed to furnish a copy of this order to IBBI for confirmation of appointment of Liquidator.

5. Accordingly, Application bearing IA No. 79/2021 stands disposed off.



DR. BINOD KUMAR SINHA
MEMBER TECHNICAL



MADAN B. GOSAVI
MEMBER JUDICIAL