

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH-II, CHENNAI**

IA/113(CHE)/2021 in IBA/92/2019 filed  
under Section 33 & 34(1) of the  
Insolvency and Bankruptcy Code, 2016  
read with Insolvency and Bankruptcy  
Board of India (Liquidation Process)  
Regulation, 2016

**In the matter of M/s. Sai Regency Power Corporation Private  
Limited**

**Mr. G. Ramachandran,  
Resolution Professional of  
M/s. Sai Regency Power Corporation Private Limited,  
II Floor, Crown Court No.128,  
Cathedral Road, Chennai,  
Tamilnadu – 600 086**

... Applicant/RP

**CORAM:**

**R.SUCHARITHA, MEMBER (JUDICIAL)  
B. ANIL KUMAR, MEMBER (TECHNICAL)**

For the Applicant/RP : *Shri. PH. Arvindh Pandian, Senior Advocate  
Shri. P. Vinod Kumar, Advocate  
Shri. M.D. Srinivasan, Advocates  
For M/s. J. Sagar Associates.*

**ORDER**

**Per: B. ANIL KUMAR, MEMBER (TECHNICAL)**

**Order Pronounced on: 27.04.2021**

This application has been filed under Section 33 & 34(1) of the  
Insolvency and Bankruptcy Code, 2016 read with Insolvency and

Bankruptcy Board of India (Liquidation Process) Regulation, 2016 by the Applicant/RP **Mr. G. Ramachandran**, for liquidation of the Corporate Debtor **“M/s. Sai Regency Power Corporation Private Limited”**, seeking reliefs as follows:

- “6.1 To admit the present Application and pass an order under Section 33(1) of the Code requiring the Corporate Debtor to be liquidated due to non-receipt of a compliant resolution plan during the CIRP period under Section 12 of the Code.
- 6.2 To direct the issuance of public announcement stating that the Corporate Debtor is in liquidation;
- 6.3 Require such order to be sent to the authority with which the Corporate Debtor is registered;
- 6.4 To appoint the Applicant as Insolvency Professional having Registration No. **IBBI/IPA-002/IP-N00167/2017-2018/10437** as Liquidator, if deemed fit. The written consent of the Applicant to act as Liquidator is annexed hereto as **Annexure-II-(23)**;
- 6.5 To direct the CoC members to contribute to the liquidation costs (as may be estimated by the Liquidator and revised thereafter from time to time) in accordance with Regulation 2A of the Liquidation Process Regulations, 2016.
- 6.6 As stated above, the Applicant has been facing violent agitations at the plant sites of the Corporate Debtor. Once the liquidation order is passed, the Applicant expects the said agitations to be aggravated further. In light thereof, the Applicant prays and seeks necessary reliefs and assistance from appropriate administrative authorities (including local police and district administration authorities) to deal with the said agitations (if any), in order to perform its duties as a Liquidator

*and undertake the liquidation process in accordance with the provisions of the Code.”*

2. Vide order dated 27.03.2019, this Adjudicating Authority admitted the application filed by the Financial Creditor i.e., India Opportunities III Pte Limited under Section 7 read with Rule 4 of the Insolvency and Bankruptcy Code, 2016 and appointed the Applicant herein **Mr. G. Ramachandran** as the IRP.

3. The IRP had given a Public Announcement on 30.03.2019, invited claims from the Creditors of the Corporate Debtor in the specified forms as stipulated under the CIRP Regulations and the last date for submission of proof of claims was 10.04.2019.


4. In the first CoC meeting held on 25.04.2019 convened by IRP, the Applicant herein informed the CoC of the communication issued by Oil and Natural Gas Corporation Limited (“ONGC”) with respect to termination of the Gas Supply Agreement (“GSA”) from 23.04.2019. The Applicant informed the CoC that pursuant to the communication with ONGC the matter was suitably resolved, however, the Gas Supply Agreement was due to expire on 30.04.2019



and requisite extension of Letter of Credit (“LC”) was facilitated. The Applicant also informed the CoC that a further enhancement of the LC value is required as per the communication from ONGC failing which further gas supply from ONGC may be stopped resulting in stoppage of plant activities and the matter was not voted on in the said meeting.

5. In the 2<sup>nd</sup> CoC meeting held on 16.05.2019, two Registered Valuers were appointed in accordance with Regulation 27 of the CIRP Regulations for the purpose of determining the fair value and the liquidation value of the Corporate Debtor. The valuation reports were submitted by the two Registered Valuers to the CoC on receipt of appropriate non-disclosure agreement.

6. The Applicant published Form G i.e., Invitation of Expression of Interest (“EOI”) on 10.06.2019 in “**Business Standard**” and “**Dinakaran**”, where the detailed invitation of EOI can be obtained by the eligible prospective Resolution Applicants. The last date for submission of EOI was 05.07.2019 and the date of issue of Information



Memorandum, Evaluation Matrix and request for resolution plans to the prospective Resolution Applicants was 20.07.2019.

7. The Applicant received EOI from two prospective Resolution Applicants namely a) Forceone Skill Development Private Limited and b) Assets Care and Reconstruction Enterprise Limited.

8. In the 5<sup>th</sup> CoC meeting held on 19.07.2019, the Applicant herein was appointed from IRP to RP.

9. The Applicant appointed M/s. P. Chandrasekhar LLP on 14.08.2019 as the Transaction Reviewer as required under Regulation 39(2) of the CIRP Regulations read with Section 43, 45, 50 & 66 of the Code to carry out the forensic audit of the Corporate Debtor and the forensic auditor submitted its report, wherein the auditor has confirmed that he has not identified any transaction reportable under Section 43, 45, 50 and 66 of the Code.

10. This Adjudicating Authority vide order dated 18.12.2019, extended the CIRP period of the Corporate Debtor from 270 days to 330 days (i.e., from 23.12.2019 to 20.02.2020). Thereafter on 11.02.2020, the Applicant filed an application u/s. 12 of the Code seeking



extension of CIRP period of the Corporate Debtor beyond 330 days placing reliance on the judgment of the Hon'ble Supreme Court of India in *CoC of Essar Steel India Limited Vs. Satish Kumar Gupta & Ors.* (Civil Appeal Nos.7866-67/2019), which inter alia held that the 330 days period is not mandatory, and this Adjudicating Authority has the power to extend the CIRP period. Owing to Covid-19 pandemic and nationwide lockdown, the IA was not listed before this Adjudicating Authority.

11. In the 15<sup>th</sup> CoC meeting held on 05.03.2020, the Applicant requested the CoC to vote on the Resolution Plan in order to avoid the possibility of the Corporate Debtor going into liquidation. The Applicant further informed that no communication has been initiated with them pending appropriate advice from the CoC. The Applicant further submitted that the application for extension of CIRP beyond 330 days was made pursuant to the direction of the CoC, however due to the present Covid-19 outbreak and resultant lockdown, liquidation application could not be filed due to restrictions.

12. The Applicant states that on account of clear stand taken by certain lenders that they would not consider resolution plan below liquidation value, in the absence of a compliant resolution plan or a resolution plan above the liquidation value within the period prescribed under Section 12 of the Code, the Applicant is left with no other option but to file the present liquidation application. The Applicant has also narrated events leading to liquidation of the Corporate Debtor at paragraph 5 of the application.

13. It is evident from Form-H filed by the Applicant that the *Fair Value* is arrived at Rs.108.52Crore and the *Liquidation Value* is arrived at Rs.83.71Crore.

14. More than 330 days of the CIRP period ended on 20.02.2020 and owing to non-receipt of a compliant resolution plan during the CIRP period under Section 12 of the Code and also the company is not a going concern, considering all these facts, it is ordered that the Corporate Debtor herein shall be liquidated. In this connection, Mr. G. Ramachandran, Resolution Professional had given a written

consent dated 29.05.2020 to act as a Liquidator of the Corporate Debtor. This Adjudicating Authority hereby appoint **Mr. G. Ramachandran** having Registration No: IBBI/IPA-002/IP-N00167/2017-2018/10437 to act as the Liquidator of the Corporate Debtor to carry out the liquidation process subject to the following terms of the directions:

- a) The Liquidator shall strictly act in accordance with the provisions of IBC, 2016 and the attendant Rules and regulations including Insolvency and Bankruptcy (Liquidation Process) Regulations, 2017 as amended upto date enjoined upon him.
- b) The Liquidator shall issue the public announcement that the Corporate Debtor is in liquidation. In relation to officers/ employees and workers of the Corporate Debtor, taking into consideration Section 33(7) of IBC, 2016, this order shall be deemed to be a notice of discharge.
- c) The Liquidator shall investigate the financial affairs of the Corporate Debtor particularly, in relation to preferential



transactions/ undervalued transactions and such other similar transactions including fraudulent preferences and file suitable application before this Adjudicating Authority.

- d) The Registry is directed to communicate this order to the Registrar of Companies, Chennai and to the Insolvency and Bankruptcy Board of India;
- e) In terms of section 178 of the Income Tax Act, 1961, the Liquidator shall give necessary intimation to the Income Tax Department. In relation to other fiscal and regulatory authorities which govern the Corporate Debtor, the Liquidator shall also duly intimate about the order of liquidation.
- f) The order of Moratorium passed under Section 14 of the Insolvency and Bankruptcy Code, 2016 shall cease to have its effect and that a fresh Moratorium under section 33(5) of the Insolvency and Bankruptcy Code shall commence.



- g) The Liquidator is directed to proceed with the process of liquidation in a manner laid down in Chapter III of Part II of the Insolvency and Bankruptcy Code, 2016.
- h) The Liquidator is directed to investigate the financial affairs of the Corporate Debtor in terms of the provisions of Section – 35(1) of IBC, 2016 read with relevant rules and regulations and also file its response for disposal of any pending Company Applications during the process of liquidation.
- i) The Liquidator shall submit a Preliminary report to this Tribunal within 75 (seventy-five) days from the liquidation commencement date as per regulation 13 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016. Further such other or further report as are required to be filed under the relevant Regulations, in addition, shall also be duly filed by him with this Adjudicating Authority.
- j) Copy of this order be sent to the Financial Creditors, Corporate Debtor and the Liquidator for taking necessary steps and for extending the necessary co-operation in



relation to the Liquidation process of the Corporate Debtor,  
viz., company-in-liquidation.

15. Accordingly, IA/113(CHE)/2021 is hereby **disposed of** with the  
aforesaid terms.

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**(ANIL KUMAR B)**  
MEMBER (TECHNICAL)

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**(R. SUCHARITHA)**  
MEMBER (JUDICIAL)

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