

NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH-1

IA (IBC)/464/2021 in CP (IB) No. 815/9/HDB/2019

Under Section 33 (2) of the Insolvency and Bankruptcy Code, 2016
read with Rule 11 of the National Company Law Tribunal (Adjudicating Authority), 2016.

Filed by,

Mr. Satyanarayana Veera Venkata Chebrolu
(Resolution Professional of M/s. Sneha Engineering Equipment Pvt Ltd)
Flat No. 1, Chandana Residency, MIG 512 & 513,
K.P.H.B. Colony, Kukatpally, Hyderabad.

... Applicant/Resolution Professional

In the matter of

M/s. MJR Equipments Pvt Ltd
81/7B Melapatchakudi, Fathima Nagar,
Madurai Road, Tiruchy - 600012.

... Operational Creditor

AND

M/s. Sneha Engineering Equipment Pvt Ltd
R/o. D-12, Phase - IV,
Extn. I.D.A, Jeedimetia, R.R Dist,
Hyderabad - 500055.

... Corporate Debtor

Date of order: 08.09.2021

Coram:

Shri Madan Bhalchandra Gosavi, Hon'ble Member (Judicial)

Shri Veera Brahma Rao Arekapudi, Hon'ble Member (Technical)



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Appearance:

For the Applicant : D Gopala Krishna, Advocate

Heard on: 02.09.2021**PER: BENCH**

1. The instant Application is filed by the Resolution Professional of the Corporate Debtor, M/s. Sneha Engineering Equipment Pvt Ltd under Section 33 (2) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "Code") for the liquidation of the Corporate Debtor due to non-receipt of resolution plan.
2. The Insolvency petition was filed by the Operational Creditor, M/s. MJR Equipments Pvt Ltd under Section 9 of the Code against the Corporate Debtor vide CP (IB) No. 815/9/HDB/2019 and the same was admitted by this Tribunal vide order dated 22.02.2021. Shri. Satyanarayana Veera Venkata Chebrolu was appointed as an Interim Resolution Professional.
3. As per the rules and regulations under the Code the applicant had taken necessary steps and issued the notices. It is found that the office of the Corporate Debtor is not functioning and it came to know that the building has already disposed of.
4. The Corporate Debtor has not cooperated with the applicant for examining the books of accounts and the latest balance sheet. The last balance sheet of the Corporate Debtor available is of the financial year 2012-2013. There are no fixed assets in the name of Corporate Debtor except a land which is an extent of 1,322.05 sq. yds., situated at Pashamailaram Village, Hyderabad.
5. The applicant periodically conducted CoC meetings constituted with only one member i.e., the Operational Creditor. The CoC has decided that



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calling of expression of interest does not serve any purpose as the Corporate Debtor is not functioning and there are no fixed assets in the name of Corporate Debtor.

6. In the 4th CoC meeting held on 14.08.2021, the CoC has decided to file an application before this Tribunal for liquidation of the Corporate Debtor and directed the same to the applicant. In the said meeting it is resolved that the CIRP cost and the IRP/RP cost shall be included in the liquidation cost and Shri. PVB Sudhakarro, an Insolvency Professional has given his consent to act as Liquidator of the Corporate Debtor.

7. We have heard the applicant in the matter. The Hon'ble Apex Court in K. Sashidhar vs. Indian Overseas Bank and ors (2019) 148 LA 497 (SC) inter-alia held that,

"The Adjudicating Authority (NCLT) is not expected to do anything more; but is obligated to initiate liquidation process under Section 33 (1) of I&B Code. The legislature has not endowed the adjudicating authority (NCLT) with the jurisdiction or authority to analyse or evaluate the commercial decision of the CoC much less to enquire into the justness of the rejection of the resolution plan by the dissenting financial creditor".

8. From the above, it would appear that the CoC in its wisdom has resolved in favour of the Liquidation of the Corporate Debtor as there is no fixed assets and non- functioning of the Corporate Debtor. This Authority has no reason before it to take a contrary view in terms of Section 33 (1) (a) of the Code. Therefore, we have no option than to pass an order of liquidation of the Company in the manner laid down in Chapter-III of the Code.



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ORDER

9. The Application is accordingly allowed with the following directions:-
- A. The Corporate person i.e., M/s. Sneha Engineering Equipment Pvt Ltd shall be liquidated in the manner laid down in Chapter-III of the Code.
 - B. Shri. PVB Sudhakarro, Insolvency Professional having registration number IBBI/IPA-002/IP-N00795/2019-2020/12547 is appointed as the Liquidator.
 - C. He shall issue public announcement stating that the Corporate Debtor is in liquidation.
 - D. The moratorium declared under Section 14 of the Code shall cease to operate here from.
 - E. Subject to Section 52 of the Code, no suit or other legal proceedings shall be instituted by or against the Corporate Debtor. This shall however 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.
 - F. All powers of the Board of Directors, Key Managerial Personnel and partners of the Corporate Debtor shall cease to have effect and shall be vested in the Liquidator.
 - G. The Liquidator shall exercise the powers and perform duties as envisaged under Sections 35 to 50 and 52 to 54 of the Code, read with Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016.



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- H. Personnel connected with the Corporate Debtor shall extend all assistance and co-operation to the Liquidator as would be required for managing its affairs.
- I. The Liquidator shall be entitled to such fees as may be specified by the Board in terms of Section 34 (8) of the Code.



[Signature]
VEERA BRAHMA RAO AREKAPUDI
MEMBER (TECHNICAL)

[Signature]
MADAN BHALCHANDRA GOSAVI
MEMBER (JUDICIAL)

Vismaya

प्रमाणित प्रति
CERTIFIED TRUE COPY

केस संख्या
CASE NUMBER... *CP (IB) No. 815/9/HDB/2019*
निष्पत्ति का तारीख
DATE OF JUDGEMENT... *8/9/2021*
प्रति तैयार किया गया तारीख
COPY MADE READY ON... *16/9/2021*

[Signature]
Deputy Registrar / Assistant Registrar / Court Officer
National Company Law Tribunal, Hyderabad Bench

16/09/21