

IN THE NATIONAL COMPANY LAW TRIBUNAL: NEW DELHI
PRINCIPAL BENCH

ITEM No. 10
(IB)-494(PB)/2019

IN THE MATTER OF:

Syndicate Bank	Applicant/petitioner
v.		
Him Steel Pvt. Ltd.	Respondent

Order under Section 7 of Insolvency & Bankruptcy Code (CIRP)

Order delivered on 25.06.2020

CORAM:

SH. B.S.V. PRAKASH KUMAR
HON'BLE ACTG. PRESIDENT

SH. HEMANT KUMAR SARANGI
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the RP	Mr. Himanshu Harbola, Adv.
	Ms. Reshma Mittal, RP

ORDER

IA-2175/2020

It is an application filed by RP under Section 33(2) of the Code. This Tribunal on 15.07.2019 passed an admission order by appointing an IRP. In pursuance thereof, the IRP has issued public announcement inviting claims from the creditors on 18.07.2019, soon after receipt of claims, the IRP collated the claims and constituted the CoC. In compliance of it, the CoC on 09.08.2019 appointed IRP as RP in its second meeting. On 21.09.2019, the CoC set out a criteria for submission of resolution plan and issued invitation for 'Expression of Interest' in Form-G and in response to the same two participants submitted their EOIs namely Sponge Sales India Pvt. Ltd. and Shri Balaji International. In the 4th CoC meeting, it was resolved for extension from this Bench for a period of 90 days, the same was allowed on 08.01.2020. Thereafter, on 20.02.2020 the

RP received a resolution plan from representatives of Sponge Sales India Private Limited, the same was placed before the CoC in its 6th meeting held on 09.04.2020, for its approval wherein in the discussion was held with resolution applicant, thereafter the said resolution applicant filed revised resolution plan, but whereas the resolution plan was unanimously rejected by the CoC on 17.04.2020 with the reason that the resolution plan value is less than the liquidation value, consequent thereto, the CoC proposed for liquidation of the Corporate Debtor and in the same meeting the RP namely Ms. Reshma Mittal was proposed to continue as liquidator with 100 % voting share. She has also given her consent as per Regulations.

In view thereof, this application has moved before this Bench seeking initiation liquidation process as approved by the members of the CoC.

On perusal of these submissions, it appears that CoC in its wisdom rejected the resolution plan looking at the value of it, since the CoC was of the view that plan was not viable and feasible, it has passed a resolution with 100 % voting share for liquidation of the corporate debtor, therefore, we hereby order for liquidation of the corporate debtor as going concern allow this application by appointing the RP as liquidator with directions as follows:-

- a) This Bench hereby orders the Corporate Debtor to be liquidated in the manner as laid down in the chapter by issuing a public notice stating that the Corporate Debtor is in liquidation with a direction to the liquidator to send this order to ROC with which this company has been registered.



- b) The Resolution Professional viz. Ms. Reshma Mittal is hereby appointed to act as Liquidator for the purpose of liquidation of the corporate debtor, therefore, all powers of the board of directors, Key managerial personnel and partners of the Corporate Debtor, as the case may be, shall cease to have effect and shall be hereby vested in the liquidator. The Personnel of the Corporate Debtor are directed to extend all co-operations to the liquidation as may be required in managing the affairs of the Corporate Debtor. The Insolvency Professional appointed as liquidator will charge fees for conduct of the liquidation proceedings in proportion to the value of the liquidation estate assets as specified under regulation 4 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and the same shall be paid to the Liquidator from the proceeds of the liquidation estate under Section 53 of the Code.
- c) Since this liquidation order has been passed, no suit or other legal proceedings shall be instituted by or against the Corporate Debtor without prior approval of this Adjudicating Authority save and except as mentioned in sub-section 6 of Section 33 of the Code.
- d) This liquidation order shall be deemed to be notice of discharge to the officers, employees and workmen of the Corporate Debtor except to extent of the business of the Corporate Debtor is continued during the liquidation process by the Liquidator.

- e) The liquidator is directed to carry the functions of the Liquidator as envisaged under the Insolvency and Bankruptcy Code, 2016 and also Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

The Registry is hereby directed to immediately communicate this order to the Liquidator, the Corporate Debtor and the IBBI & concern ROC by way of E-Mail.

The application stands disposed of.

All other applications will be listed on 15.07.2020.

Sd/-

**(B.S.V PRAKASH KUMAR)
ACTG. PRESIDENT**

Sd/-

**(HEMANT KUMAR SARANGI)
MEMBER (TECHNICAL)**