S.No. 106

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1

ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON **11-04-2022** AT 10:30 A.M. THROUGH VIDEO CONFERENCE.

IA (IBC) 332/2022 in
CP (IB) 1/7/2020
U/s 7 of IBC, 2016

IN THE MATTER OF:

State Bank of India **...Financial Creditor**

Vs

Chadalvada Infratech Limited **...Corporate Debtor**

C O R A M:-

DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)

SH. VEERA BRAHMA RAO AREKAPUDI, HON'BLE MEMBER (TECHNICAL)

O R D E R

Order passed in IA (IBC) No.332 of 2022 vide separate sheets. In the result the CD is put in liquidation.

MEMBER (T) **MEMBER (J)**

Karim

NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1

IA (IBC)/332/2022 in CP (IB) No. 1/7/HDB/2020
Under Section 33(1)(a) read with section 34 of Insolvency & Bankruptcy Code, 2016.

In the matter of Chadalvada Infratech Limited

Filed by

Shri. G Madhusudhan Rao
Resolution Professional of Chadalvada Infratech Limited
IBBI/IPA-001/IP-P00181/2017-18/10360
7-1-285, Flat no. 103, Sri Sai Swapna Sampada Apts,
Balkampet, Hyderabad – 500038, Telangana.
... Applicant/ Resolution Professional

Date of Order: 11.04.2022

Coram

Dr. Venkata Ramakrishna Badarinath Nandula, Hon'ble Member (Judicial)

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

Parties/ Counsels present:

For the Applicant : Smt. M. Vazra Laxmi, Counsel for the Applicant/Resolution Professional and Shri. G Madhusudhan Rao, Resolution Professional

PER: BENCH

1. The Resolution Professional (hereinafter referred as "RP/Applicant") filed this application under Section 33(1) (a) read with Section 34 of the Insolvency & Bankruptcy Code, 2016 (hereinafter referred as "Code") for issuance of directions for liquidation of Chadalvada Infratech Limited (hereafter referred as "Corporate Debtor") by this Adjudicating Authority.

2. The gist of the Application in brief are:-

i. The Financial Creditor i.e., the State Bank of India filed a Petition under Section 7 of the Code bearing CP (IB) No. 1/7/HDB/2020 for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor. The said Petition was admitted by this Adjudicating Authority vide order dated 23.09.2021 and appointed Shri. G Madhusudhan Rao, the applicant herein as Interim Resolution Professional (IRP), who is continuing as Resolution Professional (RP).

ii. Pursuant to the issuance of Expression of Interest (EOIs), the RP/Applicant received five EOIs from the prospective resolution applicants but the same was not complete. Hence, RP/Applicant issued provisional list of Prospective Resolution Applicants and requested to submit deficit documents within 5 days but no prospective resolution applicants submitted the required documents.

iii. The RP/Applicant convened 4th Committee of Creditors (CoC) meeting and informed the members about the received EOIs and non-compliance of the required documents by the prospective resolution applicants. The RP further informed the CoC members that the CIRP period of the Corporate Debtor will end on 21.03.2022.

iv. In the 5th CoC meeting, members has not approved for second issuance of Expression of Interest and as there is no resolution plan as per the timelines prescribed in the Code, the only option is to liquidate the Corporate Debtor as per Section 33(1) (a) of the Code.

v. In the 5th CoC meeting, the members passed resolutions as per the Regulations 39B, 39C & 39D of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, and approved for liquidation and directed the RP/Applicant to file application before this Adjudicating Authority.

3. We have heard the Learned Counsel for the RP and Learned RP and perused the record.

4. According to the RP/Applicant, no resolution plan received during the entire period of CIRP for the approval of CoC.

5. It is noted that the CoC passed resolution for appointing the present Resolution Professional as the Liquidator and he has given Form 2, his written consent dated 31.03.2022 for acting as a Liquidator.

6. We are fully conscious of the fact that the primary object of the Code is resolution and liquidation is the last resort. At the same time keeping the timelines prescribed under the Code is paramount, lest asset value is deteriorated. Therefore, taking into consideration the provisions of law as well as the documents on record, this Adjudicating Authority is of the view that as there are no resolution plans received the only option is to liquidate the Corporate Debtor, hence we allow this application directing the liquidation of the Corporate Debtor.

ORDER

A. This Adjudicating Authority hereby orders for liquidation of Chadalvada Infratech Limited, the Corporate Debtor herein, which shall be conducted in the manner as laid down in Chapter III of part II of the Code, 2016;

B. Shri. G Madhusudhan Rao having Registration No. IBBI/IPA-001/IP-P00181/2017-18/10360, is hereby appointed as Liquidator;

C. He shall issue public announcement stating that the Corporate Debtor is in liquidation in terms of Regulation 12 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

D. The moratorium declared under Section 14 of the Code, shall cease to have effect from the date of the order of liquidation;

E. Subject to Section 52 of the Code, 2016, 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 the 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 the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

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.

J. The Applicant is directed to serve the copy of this order to Registrar of Companies, Regional Director, Official Liquidator of Hyderabad, Registered office of the Corporate Debtor for information and compliance.

11.04.2022

VEERA BRAHMA RAO AREKAPUDI
MEMBER (TECHNICAL)

DR. N VENKATA RAMAKRISHNA BADARINATH
MEMBER (JUDICIAL)

Vismaya (LRA)