

**IN THE NATIONAL COMPANY LAW TRIBUNAL
SINGLE BENCH, CHENNAI**

MA/728/2019 in **CP/1176/IB/CB/2018**
filed under *Sections 33 (2)* of the Insolvency
and Bankruptcy Code, 2016

In the matter of ***M/s. Ramkar Steel Re-Rolling Private Limited***

Mrs. J. Karthiga

Resolution Professional

of *M/s. Ramkar Steel Re-Rolling Private Limited*

... Applicant

Order delivered on 25th July, 2019

CORAM

CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)

For Applicant(s) : *Mr. A.G. Sathyanarayana, Counsel for RP*
 Mrs. J. Karthiga, RP in person

ORDER

Per: CH. MOHD SHARIEF TARIQ, MEMBER (J):

1. The present MA/728/2019 in CP/1176/IB/CB/2018 is filed by the Applicant viz., J. Karthiga, the *Resolution Professional* under Section 33 (2) of the Insolvency and Bankruptcy Code, 2016, (in short 'I&B Code, 2016') for Liquidation of *M/s. Ramkar Steel Re-Rolling Private Limited* (hereinafter referred to as "**Corporate Debtor**") and to

appoint the Applicant as Liquidator for administering the Liquidation process of the Corporate Debtor.

2. Originally, the Financial Creditor viz., Indian bank filed CP/1176/IB/CB/2018 under Section 7 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, to initiate the Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor, to declare moratorium and to appoint Interim Resolution Professional (IRP). This Authority vide Order dated 06.02.2019, admitted the Application, initiated the CIR Process against the Corporate Debtor, declared moratorium and appointed the Applicant herein as the IRP.

3. Pursuant to the said Order, the IRP took over the management of the Corporate Debtor and made public announcement as mandated under Section 15 of the I&B Code, 2016. Thereafter, the Applicant issued notices to the promoters and the creditors of the Corporate Debtor on 28.02.2019 to attend the first meeting of the CoC, which was

proposed to be held on 07.03.2019. The 1st meeting of the CoC was attended by the sole Financial Creditor and by the authorized representative of the suspended Director and further it has been resolved in the said meeting to continue the Applicant as the Resolution Professional, which was subsequently confirmed by this Bench in MA/326/2019 vide order dated 04.04.2019.

4. The Applicant convened the 2nd CoC meeting on 25.04.2019 and placed the valuation reports pertaining to the Plants and Machinery of the Corporate Debtor. Further, the Applicant on 06.05.2019 published the Expression of Interest in FORM – G for invitation of Resolution Applicants in two leading newspapers. In response to the same, the Applicant received Expression of Interest from 3 (three) interested applicants. However, after scrutiny of the said Resolution Applicants, the applicant found them ineligible since they did not meet the eligibility criteria as laid down by the CoC. Thereafter, the applicant placed the application of the Resolution Applicants before the CoC on 04.06.2019 and the CoC after much discussion and deliberations, concurred

with the reasons and finding of the Applicant that the Resolution Applicants are ineligible as per the Code.

5. Further, in the said meeting, the CoC discussed the current state of affairs of the Corporate Debtor and also took note of the fact that the Corporate Debtor is fetching only least income and no eligible prospective Resolution Applicants is interested to propose the Resolution Plan. The CoC after having elaborate discussion on all the facts and circumstances, in its wisdom, took a decision and Resolved to Liquidate the Corporate Debtor.

6. It is further stated that the 4th meeting of the CoC was held on 27.06.2019, in which the CoC has resolved to recommend the present RP to act as the Liquidator, in the event the Liquidation order is passed by this Authority against the Corporate Debtor.

7. Accordingly, the Resolution Professional has filed the present MA/728/2019 in CP/1176/IB/CB/2018 seeking order for liquidation of the Corporate Debtor viz., *M/s.*

Ramkar Steel Re-Rolling Private Limited and to appoint her as Liquidator. Since, no Resolution Plan has been received by this Authority under Sub-section (6) of Section 30 of the I&B Code, 2016, before the expiry of the maximum period of 270 days of CIR Process, the Corporate Debtor has to be ordered for Liquidation.

ORDER

8. In view of the facts and circumstances recorded by the Resolution Professional in MA/728/2019 in CP/1176/IB/CB/2018 and in exercise of powers conferred under Sub-Clauses (i) (ii) and (iii) of Clause (a) of Sub-Section (1) of Section 33 of the I&B Code, 2016, this Authority proceeds to pass the Liquidation Order as follows:-

- I. This Authority orders for liquidation of the Corporate Debtor viz., *M/s. Ramkar Steel Re-Rolling Private Limited*.
- II. This Authority appoints the Resolution Professional viz., *Mr. J. Karthiga* as Company Liquidator, who shall issue a public announcement stating therein that the Corporate Debtor is in liquidation;

- 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. This Authority makes 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 with the Company Liquidator viz., *Mrs. J. Karthiga*.

VIII. The personnel of the Corporate Debtor shall extend all assistance and co-operation to the Liquidator as may be required by him in managing the affairs of the Corporate Debtor.

IX. The Company Liquidator shall be entitled to charge such fees for the conduct of the liquidation proceedings and in such a proportion to the value of the liquidation estate assets as specified under Regulation 4 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

X. Copy of this Order shall be sent to the concerned Registrar of Companies, RD, OL, and Registered Office of the Corporate Debtor by the Company Liquidator viz., *Mrs. J. Karthiga* for information and compliance.

9. In terms of the above, MA/728/2019 filed in CP/1176/IB/CB/2018 by the Resolution Professional under Section 33 (2) of the I&B Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz.,

M/s. Ramkar Steel Re-Rolling Private Limited., stands
disposed of.

10. The Registry is directed to send a copy of this Order to the Company Liquidator with immediate effect for information and compliance.

11. Order is pronounced in open Court.

-Sd-

(CH. MOHD SHARIEF TARIQ)
MEMBER (JUDICIAL)

RAYMOND