



NATIONAL COMPANY LAW TRIBUNAL
COURT ROOM NO. 1,
MUMBAI BENCH

Item No. 12

IA(IBC)(LIQ.) /22/2024 (NEW IA) in C.P. (IB)/208(MB)2019

CORAM:

SH. PRABHAT KUMAR JUSTICE VIRENDRASINGH BISHT (Retd.)
HON'BLE MEMBER (TECHNICAL) HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF THE HEARING ON **08.04.2024**

NAME OF THE PARTIES: **STAINLESS WORK PRIVATE LIMITED**

Section 33(1) (b) (i) to (iii) r/w Sec 33(3) & 10 of the Insolvency and
Bankruptcy Code, 2016

ORDER

IA(IBC)(LIQ.) /22/2024 (NEW IA) in C.P. (IB)/208(MB)2019

- 1) Mr. Maulik Bhansali, Ld. Counsel for the Applicant/Liquidator of the Corporate Debtor is present.
- 2) This is an Interlocutory Application filed by the Resolution Professional **Mr. Praful Raghunath Renuse**, under Section 33 of the Insolvency and Bankruptcy Code, 2016 (the Code) for initiating Liquidation Process against **Stainless Work Private Limited** (Corporate Applicant).
- 3) The facts leading to the case in hand are as follows:
 - a. Corporate Insolvency Resolution Process (CIRP) of the Corporate Applicant was initiated by this Tribunal vide order dated **01.11.2023** upon admission of a Company Petition under Section 10 of the



Insolvency and Bankruptcy Code, 2016 (the Code) and the Applicant herein was appointed as the Interim Resolution Professional (IRP) of the Corporate Applicant qua the Corporate Insolvency Resolution Process (CIRP) of the Corporate Applicant.

- b. It is submitted that in compliance with Section 13 and Section 15 read with Regulation 6 of Insolvency and Bankruptcy Board of India Regulations 2016, a public announcement was made on 04.11.2023 in **Financial Express** (English) and **Mumbai Lakshdeep** (Marathi) to intimate the commencement of CIRP against the Corporate Applicant and to call the Creditors to submit the proof of the claims.
- c. The Applicant further states that he has held three meetings of the Committee of Creditors on 29.11.2023, 08.01.2024 & 20.02.2024. In the First meeting, the Applicant herein was confirmed as the Resolution Professional of the Corporate Debtor.
- d. It is further submitted that the Applicant published Form G and a public announcement was made on 14.12.2023 in Active Times (English) and Mumbai Lakshadeep (Marathi) for inviting Expression of Interest against the Corporate Applicant. It is also submitted that only one Expression of Interest was received from Aadi Impex Service, a partnership firm from Gujarat; however, the documents mailed by the said Prospective Resolution Applicant were incomplete and not as per the EoI Criteria; therefore, their EoI came to be rejected.



Since there was no business of the Corporate Applicant and no assets available either, the CoC resolved not to publish new Form G and not to call for new EOI.

- 4) Thereafter, the Applicant appointed 2 valuers for obtaining Valuation of Security and Financial Assets of the Corporate Applicant; accordingly, Reports have been submitted by Valuers on 15.01.2024 and 24.01.2024.
- 5) Further, upon a review of the Bank statements and financials of the Corporate Applicant as made available to the RP, the RP formed an opinion that it is necessary to conduct a Transaction Audit. Accordingly, bids were invited from eligible firms/ candidates to carry out a Transaction Audit in respect of the Corporate Applicant for a period of 2 years starting from F.Y. 2021-2022 till 01.11.2023. The RP received 3 (Three) bids from various CA Firms and the lowest quote for Transaction Audit Report was from one M/s. Yatin S Shah & Co., Chartered Accountants.
- 6) During the course of the Second CoC Meeting, the CoC resolved to appoint M/s. Yatin S Shah & Co., Chartered Accountants (“Transaction Auditors”) as the Transaction Auditors and Jain Law Partners LLP for filing of Interlocutory Applications for Preferential Transactions and Liquidation Application.
- 7) It is further submitted that during the Third CoC Meeting, it was resolved that it is not viable to keep the Corporate Applicant as a going concern as the Corporate Applicant neither had any business activity for the last 5 years



nor had any assets. In view of the above, the CoC, unanimously with 100% majority, resolved to Liquidate the Corporate Applicant. In the said meeting members of Committee of Creditors have also approved appointment of **Mr. Sandeep Goel, having IBBI Registration No. IBBI/IPA-001/IP/P-01363/2018-2019/12172**, to act as the Liquidator of the Corporate Applicant on a monthly Fee of Rs. 70,000/-. Mr. Sandeep Goel, an Insolvency Professional, has also given his Written Consent in FORM AA to act as the Liquidator in the matter of **Stainless Work Private Limited**, and the said written consent is annexed to the present Application as Exhibit J.

- 8) It would further appear that the members of CoC does not want to proceed in the matter of Corporate Insolvency Resolution Process of **Stainless Work Private Limited** in accordance with provisions of the Insolvency and Bankruptcy Code, 2016.
- 9) In that view of the matter, this Authority has left with no option except to pass an order for Liquidation of the Company in the manner laid down in Chapter III of the Code considering the fact there is no Resolution Plan for consideration and CoC does not foresee any possibility of getting Plans in another round also. Hence ordered.

ORDER

- a) The Application be and the same is allowed. The Corporate Applicant, **Stainless Work Private Limited**, shall be liquidated in the manner as laid down in Chapter-III of the Code.



- b) **Mr. Sandeep Goel**, having IBBI Registration No. **IBBI/IPA-001/IP/P-01363/2018-2019/12172** is appointed as Liquidator of **Stainless Work Private Limited**.
- c) **That the Liquidator for conduct of the Liquidation proceedings would be entitled to the fees as decided by the members of Committee of Creditors.**
- d) The Moratorium declared under Section 14 of the IBC 2016 shall cease to operate here from.
- e) Liquidator shall issue public announcement stating that Corporate Debtor is in liquidation.
- f) The Liquidator shall endeavour to sale the Company as a going concern during the liquidation in terms of Regulation 32A of the Liquidation Process Regulations. In case he is not able to do so within a period of 90 days from this date, he shall proceed in accordance with clauses (a) to (d) of Regulation 32 of the Liquidation Process Regulations.
- g) 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.



- h) 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.
- i) 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 Liquidation Process Regulations.
- j) Personnel connected with the Corporate Debtor shall extend all assistance and cooperation to the Liquidator as will be required for managing its affairs.
- k) 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.
- l) The Liquidator shall submit progress reports as per Regulation 15 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- m) The Liquidator is hereby Authorized to represent the Corporate Debtor before the Government Authorities, if need be.
- n) Registry shall furnish a copy of this Order to the **Insolvency and Bankruptcy Board of India, New Delhi; Regional Director (Western Region), Ministry of Corporate Affairs; Registrar of Companies & Official Liquidator, Maharashtra; the Registered**



Office of the Corporate Applicant; and the Liquidator, Mr. Sandeep Goel, having address 1604, Verona, Hiranandani Gardens, Powai, Mumbai – 400 076.

- 10) With the aforesaid observations and directions, the Interlocutory Application bearing **IA (IBC) (LIQ.) No. 22 of 2024**, stands disposed of as Allowed.
- 11) There will, however, be no order as to costs. Ordered Accordingly.

Sd/-

**PRABHAT KUMAR
MEMBER (TECHNICAL)**

Sd/-

**JUSTICE VIRENDRASINGH BISHT
MEMBER (JUDICIAL)**

Vedant Kedare