IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT-III

I.A. No. 2120 of 2020
In
C.P. No. 859/IB/2019

Under Section 33 of Insolvency & Bankruptcy Code, 2016

In the matter of

Parish Tekriwal … Financial Creditor

V/s.

VRG Digital Corporation Pvt. Ltd.
… Corporate Debtor

<u>I.A. No. 2120/2020</u>

Mr. Birendra Kumar Agrawal

… Applicant/
Resolution Professional

Order delivered on 15.02.2021

Coram:

Hon'ble Shri H. V. Subba Rao, Member (Judicial)
Hon'ble Shri Shyam Babu Gautam, Member (Technical)

Appearance (through video conferencing):

For the Applicant: Ms. Bindu Bhatia, Advocate

Per Shri Shyam Babu Gautam, Member (Technical)

<u>ORDER</u>

1. It is an application filed by the Resolution professional seeking liquidation of the Corporate Debtor namely (M/s. VRG Digital Corporation Pvt. Ltd.) on the ground that no resolution plan has been received by him, hence this application under Section 33 (1) of the Insolvency and Bankruptcy Code, 2016, praying following reliefs:

   a. *To pass an order under Section 33(1)(a) of the Code for liquidation of the Corporate Debtor;*
   b. *To appoint the Liquidator of the Corporate Debtor and fix the fees;*

2. The Adjudicating Authority vide its order dated 27.09.2019 on a Petition filed by the Financial Creditor under Section 7 of the Code directed

initiation of the Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor namely M/s. VRG Digital Corporation Pvt. Ltd., wherein Mr. Mukesh Kathuria, was appointed as Interim Resolution Professional (IRP). Thereafter, in the 1st Committee of Creditors (CoC) meeting held on 05.11.2019, Mr. Birendra Kumar Agrawal, was resolved to be appointed as Resolution Professional (RP) and the same was approved by this Bench vide an order dated 19.11.2019.

3. The RP submits that the public announcement was made on 07.10.2019 the last date for submission of claims was 21.10.2019.

4. It is further submitted that an advertisement, inviting Expression of Interest (EoI) in Form G was published on 04.01.2020 in "Free Press Journal" (Mumbai edition), and in "The Goaan" and "The Goan Vaarta" (Goa edition) and also published on IBBI Website. Thereafter, fresh Form G was published on 27.02.2020 in "Free Press Journal" (Mumbai edition), "Navshakti" (Mumbai edition). Thereafter, no extension has been sought and no EoI was invited and no Resolution plan was received.

5. The CoC in its 2nd meeting held on 23.12.2019 decided to appoint a Valuer. The RP accordingly appointed two registered valuers as required under Regulation 27 of the IBBI (IRP for Corporate Persons) Regulations, 2016 and the Information Memorandum was prepared as provided under Regulation 36(1) of the said regulation.

6. The CoC in the 5th CoC meeting held on 13.10.2020, it was informed in the meeting that there are no chance of revival of the Corporate debtor Company. The following Resolution was passed;

> *"Resolved that , in accordance with the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and other applicable provisions, section, rule (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Committee of Creditors of VRG Digital Corporation Pvt. Ltd. (the Company) hereby accorded to liquidate the Company."*

7. Hence, the CoC in its 5th CoC meeting held on 13.10.2020, with 85.96% voting rights passed a resolution for liquidating the company.

Accordingly, the Resolution Professional filed this application for liquidation of the Company as provided u/s. 33 of the Insolvency & Bankruptcy Code, 2016 (Code).

8. The Applicant/ Resolution Professional Mr. Birendra Kumar Agrawal, has agreed to act as liquidator to carry on the process of liquidation.

9. Upon hearing the submissions of the Applicant and on the perusal of the Application and the documents enclosed therein it is found, the RP has complied with the procedure laid down under the Code; Regulations made thereunder. The reasons assigned in the petition with regards to taking the decision of liquidation of Corporate Debtor by CoC appears to be genuine in the present market scenario and convincing. On verification, we are of the considered view that this is a fit case to pass liquidation order under sub-section 1 of section 33 of the Code for liquidation in the absence of any resolution plan. Hence ordered;

ORDER

a. The Interlocutory Application No. 2120 of 2020 is hereby allowed.

b. Mr. Birendra Kumar Agrawal, Registration No. IBBI/IPA-001/IP-P00564/2017-2018/11040, herein is hereby appointed as Liquidator as provided under Section 34(1) of the Code.

c. That the Liquidator for conduct of the liquidation proceedings would be entitled to the fees as provided in Regulation 4(2)(b) of the IBBI (Liquidation Process Regulations), 2016.

d. The Liquidator appointed in this case to initiate liquidation process as envisaged under Chapter-III of the Code by following the liquidation process given in the Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

e. The Liquidator appointed under section 34(1) of the Code. Will have all 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 liquidator.

f. That the Corporate Debtor to be liquidated in the manner as laid down in the Chapter by issuing Public Notice stating that the Corporate Debtor is in liquidation with a direction to the Liquidator to send this order to the ROC under which this Company has been registered.

g. All the powers of the Board of Directors, key managerial persons, the partners of the Corporate Debtor hereafter ceased to exist. All these powers henceforth vest with the Liquidator.

h. That the personnel of the Corporate Debtor are directed to extend all co-operation to the Liquidator as required by him in managing the liquidation process of the Corporate Debtor.

i. That on having liquidation process initiated, subject to section 52 of the Code, no suit or other legal proceeding shall be instituted by or against the Corporate Debtor save and except the liberty to the liquidator to institute suit or other legal proceeding on behalf of the corporate debtor with prior approval of this Adjudicating Authority.

j. This liquidation order shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor except to the extent of the business of the Corporate Debtor continued during the liquidation process by the Liquidator.

k. The Interlocutory Application No. 2120 of 2020 is hereby allowed and disposed of.

Sd/-
SHYAM BABU GAUTAM
MEMBER (TECHNICAL)

Sd/-
H. V. SUBBA RAO
MEMBER (JUDICIAL)