

**NATIONAL COMPANY LAW TRIBUNAL  
AMARAVATI BENCH**

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IA No. 4/2019/AMR  
InTCP(IB)No. 42/7/AMR/2019  
[CP(IB)No. 498/7/HDB/2018]

**Under Section 33 of the Insolvency and Bankruptcy Code, 2016**

**In the matter of M/s Liners India Limited**

Mr. Prabhakar Nandiraju  
Resolution Professional of  
M/s Liners India Limited  
R.S.No.205/2A, 7<sup>th</sup> Cross Road,  
Jawahar Auto Nagar,  
Kanuru, Vijayawada  
Andhra Pradesh – 520 007.

...Applicant

**Date of Order: 27.08.2019**

**CORAM:**

**Hon'ble Janab Mohammed Ajmal, Member Judicial**

**Appearance:**

For Applicant:

Mr. Prabhakar Nandiraju, Resolution Professional.

**ORDER**

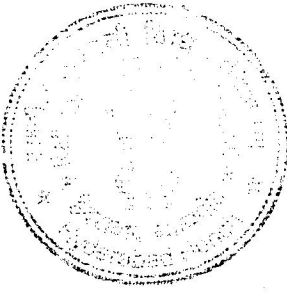
1. The present Application is filed by Resolution Professional of the Company i.e., M/s Liners India Limited (herein after referred as 'LIL'), u/s 33 of the Insolvency and Bankruptcy Board, 2016 (in short IBC, 2016) inter-alia praying to initiate liquidation of the Company.
2. The brief facts leading to the applications may be stated as follows:
  - i) The Company Petition filed by a Financial Creditor of LIL was admitted vide order dated 30.10.2018 passed by the NCLT, Hyderabad Bench. It appointed Mr. S. Sivarama Krishna as

*M. Prabhakar*  
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Interim Resolution Professional (IRP) to initiate Corporate Insolvency Resolution Process (CIRP). The IRP made a Public Announcement on 02.11.2018, intimating the commencement of CIRP of LIL, inviting the creditors to submit their claims. Subsequently the IRP constituted the Committee of Creditors (CoC) on 28.11.2018. The CoC in its first meeting held on 28.11.2018, appointed the Shri Prashakar Nandiraju as the Resolution Professional (RP).

- ii) The CoC in their Meeting on 07.01.2019 resolved to call for Expression of Interest (EoI) from prospective Resolution Applicants for revival of the beleaguered LIL, as required under Section 25 (2) (b) of the IBC, 2016.

The RP as part of the CIRP published advertisements in two dailies on 11.01.2019 calling for EoI inviting prospective resolution applicants to submit Resolution Plans, if any, on or before 26.01.2019.



In response to the publication, five prospective resolution applicants submitted application evincing interest in submission of Resolution Plan. Out of five applicants, only one Resolution Applicant by name M/s Vinsons Projects (India) Private Limited has submitted Resolution Plan. The CoC requested the Resolution Applicant, who presented in person in the meetings of the CoC held on 12.04.2019 and 15.06.2019 to increase the Resolution Plan amount by duly considering the admitted claims. However, the Resolution Applicant informed the CoC that the Resolution Plan submitted by him is the final offer.

Subsequently, the Resolution Plan submitted by Resolution Applicant was placed for voting during the seventh meeting of the

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CoC held on 19.07.2019 and the same was rejected by the CoC having voting share of 87.34% and resolved by 100% votes in terms of section 33(2) of the Code to liquidate LIL. It is further resolved to appoint the present RP as the liquidator in compliance with Section 34(1) of the Code. The proposed liquidator on 25.07.2019 has given his written consent thereto. The stipulated time period of 270 days is going to lapse on 26.07.2019. The CoC in the absence of any Resolution Plan, with 100% voting share resolved in favour of liquidation of the Corporate Debtor in terms of Section 33 of IBC 2016. In the absence of any Resolution Plan the CoC had no option left than to vote accordingly. The CoC also resolved to appoint the Resolution Professional as the proposed liquidator since he is well acquainted with the facts and circumstances of the case of the Corporate Debtor/LIL. The Resolution Professional, as the proposed Liquidator, has given his written consent on 25.07.2019. Since the prescribed time is going to expire shortly and there is no chance of revival of the company the Resolution Professional came up with the present Application.

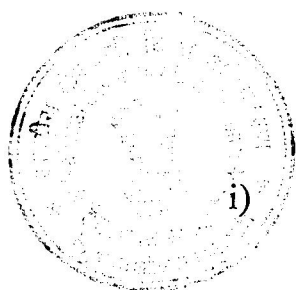
3. I have heard the counsel for the Applicant and perused the records.

4. In view of the facts and circumstances enumerated in the present application and in the absence of any Resolution Plan under Section 30 (6) of the IBC 2016 this Authority has no other option than to order liquidation of the Corporate Debtor as has been resolved by the CoC. The Application is accordingly allowed with the following directions:

- a) The Corporate Debtor M/s Liners India Limited shall be liquidated in the manner as laid down in Chapter-III of the IBC 2016.
- b) The present Applicant Mr. Prabhakar Nandiraju, presently RP of the LIL, is appointed as the Liquidator.

*M. J. C.*  
27/8/19


- c) He shall issue public announcement stating that Corporate Debtor is in liquidation.
- d) The Moratorium declared under Section 14 of the IBC 2016 shall cease to operate here from.
- e) Subject to section 52 of the IBC 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) 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.
- g) 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.
- h) The liquidator shall exercise the powers and duties as envisaged under Sections 35 to 50 and 52 to 54 of the IBC, 2016 read with Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations 2016.
- i) Personnel connected with the Corporate Debtor shall extend all assistance and cooperation to the Liquidator as will be required for managing its affairs.
- j) The Liquidator shall be entitled to such fees as may be specified by the Board in terms of Section 34(8) of the IBC 2016.
- 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.



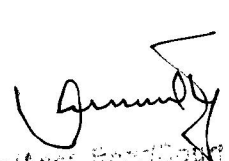
*Handwritten signature and date:*  
27/8/19

NCLT, Amaravati Bench  
IA No.4/2019/AMR  
in TCP(IB) No.42/7/AMR/2019  
[CP(IB) No.498/7/HDB/2018]

- 1) Copy of the Order shall be furnished to the IBBI, to the Regional Director (South Eastern Region), Ministry of Corporate Affairs, Registrar of Companies, Official Liquidator, the Registered Office of the Corporate Debtor and the Liquidator.

  
27/8/19  
**MOHAMMED AJMAL**  
**MEMBER JUDICIAL**



  
Dy. Regt/Asst. Regt/Debt Officer/  
National Company Law Tribunal, Hyderabad Bench

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CASE NO. TCP (IB) NO. 42/7/HDB/2019  
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DATE OF ENDORSE: 22/8/19.....  
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COPY MADE READY ON 28/8/19....