Received
Rajagopal
12/04/2019

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, CHENNAI

MA/672/2018
in
CP/725/IB/2017

Under Section 33(2) of the Insolvency and Bankruptcy Code, 2016

In the matter of M/s. Seven Eleven Business Services Pvt. Ltd

Shri S. Rajagopal, RP ...**Applicant**
Rep. for Committee of Creditors
Rep. *M/s. Seven Eleven Business Services Private Limited*

V/s

M/s. Muruga Bharthi ...**Financial Creditor**

Order delivered on: 09.04.2019

Coram:
B.S.V. PRAKASH KUMAR, MEMBER (JUDICIAL)
S. VIJAYARAGHAVAN, MEMBER (TECHNICAL)

For Applicant/Petitioner : *Mr. S. Rajagopal, RP*

ORDER

Per: S. VIJAYARAGHAVAN, MEMBER (TECHNICAL)

Order Pronounced on: 09.04.2019

Matter under consideration is an application dated 14.11.2018 filed by Mr. S. Rajagopal, the Resolution Professional for **M/s. Seven Eleven Business Services Private Limited** (for short **"Corporate Debtor"**) which is under CIRP as per the Order dated 22.02.2018.

2. The facts of the case as it stands now, in brief, is that the original petition CP/725/IB/2017 under section 7 of the Insolvency and Bankruptcy Code, 2016 (in short, **the I&BC)** was filed by M/s.Muruga Bharthi, the Financial Creditor to initiate Corporate Insolvency Resolution Process (CIRP) against Ms/.Seven Eleven Business Services Private Limited, the Corporate Debtor. The said CP (CP/725/IB/2017) was admitted and the present applicant was appointed as Resolution Professional by this Adjudicating Authority vide Order dated 11.09.2018.

3. In the instant Application, details have been given with regard to the meetings of the CoC. It has been stated that the Resolution Professional after assuming office conducted the 4th meeting of Committee of Creditors on 19.09.2018 which was attended by as many as 7 officers representing the secured financial creditor; however, none from one of the Financial Creditors viz. Easy Access Financial Services Private Limited and Corporate Debtor attended the meeting; the Chairman brought to the notice of the members and

participants that the Company had not filed any financial statements with the MCA after 31.03.2015; it was noted that as per the Balance Sheet (31.03.2015), the Company had Fixed Assets including Land, Office equipments and vehicle with an aggregated value of ₹77,74,135; it is observed from the minutes of the previous CoC meetings (at page 17 to 45) that the business has remained closed. It is seen from the application that no viable Corporate Resolution Plan could be evolved and presented before the CoC. Hence, a resolution was proposed in the 4th CoC meeting conducted on 19.09.2018 for liquidation of the Corporate Debtor and the proposal was passed and approved unanimously with 81.22% of voting rights.

4. The total amount of claim from the said Financial Creditor is ₹50,00,000 (Rupees Fifty Lakhs) along with 18% interest per annum.

5. The RP has informed that the expenses incurred towards CIR Process was ₹1,94,129.03 (One Lakh Ninety Four Thousand One Hundred and Twenty Nine and paise three). The CoC has approved and ratified the said expenses as CIRP Costs. Considering the resolution approved by the CoC and the facts and circumstances of the case, no meaningful resolution can be arrived at in the CIR Process. It is further submitted that two Registered Valuers were appointed to determine the fair market value, liquidation value and Registrar value of the Corporate Debtor in accordance with Regulation 35 and both have submitted their valuation report to RP. Therefore, the RP has stated that the case of the Corporate Debtor is an appropriate case for liquidation as recommended by the CoC.

6. In the light of the facts and circumstances as stated in the Application filed by the RP, this Adjudicating Authority deems it fit to Order liquidation of the Corporate Debtor. Accordingly, in exercise of powers conferred under Section 33(1)(a) of the I&B Code, 2016, this Bench proceeds to pass the order which is as follows:

(i) We order for liquidation of the Corporate Debtor viz., M/s. Seven Eleven Business Services Private Limited, which shall be conducted in the manner as laid down in Chapter III of Part II of the I&B Code, 2016;

(ii) As stated in Section 34(1) where the Adjudicating Authority passes an order for liquidation of the Corporate Debtor under Section 33, the Resolution Professional appointed for the Corporate Insolvency Resolution Process (CIRP) under Chapter II shall, subject to submission of a written consent by the resolution professional to the Adjudicating Authority in specified form, act as the liquidator for the purposes of liquidation unless replaced by the Adjudicating Authority under sub-section (4). We hereby appoint the RP viz., S. Rajagopal as Liquidator, who shall issue a public announcement stating therein that the Corporate Debtor is in liquidation as recommended by the Committee or Creditors;

iii) The moratorium declared under Section 14 of the I&B Code, 2016, shall cease with the date of this order;

iv) Copy of this Order shall be sent to the Registrar of Companies, RD, OL and the Registered Office of the Corporate Debtor;

v) As stated in Section 33(5) of the I&B Code, 2016, subject to Section 52, 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 Adjudicating Authority;

vi) We make it clear that para (v) 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;

vii) In terms of Section 33(7) of the I&B Code 2016, 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;

viii) 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 in the Liquidator viz. Mr.S. Rajagopal. In addition to this, the Liquidator shall exercise the powers and duties as enumerated in Sections 35 to 50, 52 to 54 of the I&B Code, 2016 read with Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

ix) 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;

x) The Liquidator shall be entitled to charge such fee for the conduct of the liquidation proceedings in such a proportion to the value of the liquidation estate assets.

Accordingly, the fees for the conduct of the liquidation proceedings shall be paid to the Liquidator; and

xi) The Tribunal directs the liquidator to submit progress reports before this Tribunal as per Rule 15 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. As per the said rule, the liquidator is directed to submit the 1st progress report within 15 days after the end of the quarter in which he is appointed and subsequent progress reports within 15 days after the end of every quarter during which he acts as a liquidator.

7. In terms of the above, the present application **MA/672/2018 in CP/725/IB/2017** by the Resolution Professional under Section 33(1)(a) and Section 60 of the I&B Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor, stands **disposed of.**

-SD-
(S. VIJAYARAGHAVAN)
MEMBER (Technical)

-SD-
(B.S.V. PRAKASH KUMAR)
MEMBER (Judicial)

TJS/KNP/

10/4/18