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IN THE NATIONAL COMPANY LAW TRIBUNAL  
BENGALURU BENCH

I.A.No.235 of 2021 in  
C.P.(IB)No.165/BB/2018  
Clubbed with  
C.P. (IB) No.135/BB/2018  
Under Section 60, R/w  
Section 33(2) of the IBC, 2016

Shri Shivadutt Bannanje  
Resolution Professional of M/s.B.T. & F.C. Pvt. Ltd.  
and M/s. Bangalore Dehydration and Drying  
Equipment Co. Private Limited  
S-709, South Block, Manipal Centre,  
No.47, Dickenson Road  
Bangalore - 560 042. - Applicant/Resolution Professional

Order delivered on: 08.12.2021

Coram: 1. Hon'ble Shri Bhaskara Pantula Mohan, Acting President  
2. Hon'ble Shri Hemant Kumar Sarangi, Member (Technical)

Parties/Counsels Present (Through Video Conference):

For the Applicant/Resolution Professional : Shri Raghuram Cadambi

COMMON ORDER

*Per: Bhaskara Pantula Mohan, Acting President*

1. I.A.No.235 of 2021 in C.P.(IB)No.165/BB/2018 clubbed with C.P.(IB)No.135/BB/2018 is filed by Shri Shivadutt Bannanje, Resolution Professional of M/s.B.T. & F.C. Private Limited and M/s. Bangalore Dehydration and Drying Equipment Co. Pvt. Ltd.(hereinafter referred to as 'Applicant/Resolution Professional') Under Section 60, R/w Section 33(2) of the IBC, 2016 by inter alia seeking to pass an order commencing consolidated liquidation of the Corporate Debtors i.e., M/s. B.T. & F.C. Private Limited and M/s. Bangalore Dehydration and Drying Equipment



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Co. Pvt. Ltd., in terms of the provisions of the IBC, 2016 and in view of the decision taken by the CoC at its meeting dated May 7, 2021 etc.

2. Brief facts of the Application, which are relevant to the question, are as follows:

(1) It is stated that this Tribunal, by way of its order dated September 27, 2019 in C.P.(IB) No.165/BB/2018 filed by M/s. Radico Khaitan Limited (Petitioner/Operational Creditor) U/s 9 of the Code commenced the CIRP in respect of M/s. B.T.& F.C. Pvt. Ltd. and appointed Mr. Pankaj Srivastava as the Interim Resolution Professional. Subsequently, this Tribunal, by way of its order dated January 27, 2020 passed in C.P.(IB) No.135/BB/2018 filed by M/s. Asia Pragati Capfin Ltd. (Financial Creditor/Petitioner) U/s. 7 of the Code, commenced CIRP in respect of M/s. Bangalore Dehydration and Drying Equipment Co. Pvt. Ltd. and appointed Ms. Ramanathan Bhuvaneshwari as the Interim Resolution Professional.

(2) Accordingly, the CIRP in respect of the two Corporate Debtors was proceeding separately, with two separate Interim Resolution Professionals, and two separately Committees of Creditors having been constituted. When things stood thus, M/s. Radico Khaitan Ltd. filed an application in I.A. No.212 of 2020 in C.P. (IB)No.165/BB/2018 for consolidation of two respective CIRPs of the two Corporate Debtors, on various grounds. This Application came to be rejected by way of an order dated 02.09.2020 passed by this Tribunal. Aggrieved by the said order, M/s. Radico Khaitan Ltd, the Petitioner in C.P.(IB)No.165/BB/2018 preferred an appeal before the Hon'ble NCLAT, Principal Bench. The said appeal was allowed by the Hon'ble NCLAT, Principal Bench, by way of its order dated March 26<sup>th</sup>, 2021, under which the Hon'ble NCLAT directed this Tribunal to appoint a single common Resolution Professional/Liquidator for consolidated CIRP/Liquidation of the Corporate Debtor.



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- (3) Pursuant thereto, this Tribunal passed an order dated April 9, 2021, consolidating the CIRP in respect of the two Corporate Debtors, i.e. M/s. B.T.& F.C. Pvt. Ltd. and Bangalore Dehydration and Drying equipment Co. Pvt. Ltd. By way of the same, order, the Applicant herein, was appointed as the Resolution Professional for both the Corporate Debtors. The Applicant herein, in accordance with the direction of this Tribunal, collected and collated the necessary documents/information from the previous respective Resolution Professionals of each Corporate Debtor and constituted the consolidated Committee of Creditors, as set out under the Code and the regulation thereunder.
- (4) It is stated that the CoC formerly consisted of M/s. Ugro Capital Ltd. and State Bank of India as Secured Financial Creditors. Further, M/s. Radico Khaitan Ltd, being the Operational Creditor with aggregate dues exceeding ten percent of the debt, was also sent notice of CoC meeting by the Applicant in accordance with Section 24 of the Code, however, no voting rights were assigned to them. Furthermore, M/s. Ugro Capital Ltd. informed the Applicant that as per the Assignment Agreement executed between M/s. Ugro Capital Ltd. and M/s. Edelweiss Asset Reconstruction Company Ltd, dated March 26, 2021, Ugro Capital had unconditionally and irrevocably assigned and transferred unto the latter all loans including the right to recover and receive all loan amounts due along with collateral and underlying security interest thereon. It was further informed that both the parties had also agreed that henceforth M/s. Edelweiss Reconstruction Company Ltd. would participate in the Committee meetings as Financial Creditor (i.e. on behalf of Ugro Capital Ltd) and shall have the binding decision making power, since the Assignment Agreement had been executed.
- (5) The Resolution Professional then reconstituted the CoC with State Bank of India and Edelweiss Asset Reconstruction Company Ltd. as the



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Financial Creditors having decision-making power and thereafter called for the meeting the consolidated committee of creditors on May 7, 2021. At the said meeting, the common Resolution Professional placed the Form G- Expression of Interest (i.e., as already circulated to the members of the CoC along with the Notice of the Meeting), before the Committee for its approval. The members of the CoC expressed their apprehension to proceed with CIRP based on the reasoning that they had already put in enormous effort to salvage the Corporate Debtors, during the erstwhile separate CIRP proceedings, however, there was no fruitful outcome due to the scant participation of the prospective Resolution Applicants. They stated that as a result the Committee of Creditors of both the Corporate Debtors individually in their respective Committee meetings held on 25<sup>th</sup> February, 2020 and 19<sup>th</sup> October, 2020 had then resolved to liquidate both the Corporate Debtors.

- (6) It is also stated that the members further suggested to go for liquidation as a favourable cause of action and stated that commencing CIRP proceedings all over again would be an ineffectual and time-consuming exercise since the same had already been undertaken previously with no Resolution Applicant coming forward to revive the Corporate Debtor. It was pointed out that there was shallow interest from the prospective Resolution Applicant as even the revised offer submitted by a shortlisted prospective as even the revised offer submitted by a shortlisted prospective Resolution Applicant during separate CIRP's was financially insufficient and not acceptable since even the liquidation value was being met. Therefore, the members proposed to liquidate both Corporate Debtors in order to maximize value of the assets and protect the interest of stakeholders. The Committee was of the shared view that enormous effort and time had already been spent on separate CIRP and resuming the process from beginning would mean further depreciation of assets of the Corporate Debtors.



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(7) After due deliberation, the following resolution was proposed:

*"RESOLVED THAT the approval of the Committee of Creditor be and is hereby accorded for initiation of consolidated liquidation of Corporate Debtors i.e. M/s. B.T.& F.C. Private Limited and M/s. Bangalore Dehydration and Drying equipment Co. Pvt. Ltd. under Sec 33(2) of the Insolvency and Bankruptcy Code, 2016."*

*"RESOLVED FURTHER THAT Sh. Shivadutt Bannanje, Resolution Professional having registration number IBBI/IPA-002/IP-N00266/2017-18/10779, having its office at Manipal Centre, S-505, South Block, 47, Dickenson Road, Bancaglore-560042, email ID:ip.shivaduttb@gmail.com be and is hereby proposed to be appointed as liquidator and that the Resolution Professional has expressed his willingness for the appointment as liquidator and also given his consent for the same."*

*"RESOLVED FURTHER THAT the fees payable to the liquidator will be as per the decision of the Committee of Creditors of Bangalore Dehydration and Drying Equipment Co. Private Limited in its meeting dated October 19, 2020."*

*"RESOLVED FURTHER THAT Sh. Shivadutt Bannanje, Resolution Professional be and is hereby authorized to file necessary application before the Hon'ble National Company Law Tribunal, Bengaluru Bench to give effect to this Resolution and further seek for Direction and Order under Sec 33 of the Insolvency and Bankruptcy Code, 2016 from the Hon'ble Tribunal, Bengaluru."*

(8) Thereafter, e-voting was initiated and kept open from May 10, 2021 till May 13, 2021. The members of the CoC having 100% voting power unanimously approved the consolidated liquidation of the Corporate Debtor.

3. Heard Shri Raghuram Cadambi, learned Counsel for the Applicant/Resolution Professional through Video Conference. We



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have carefully perused the pleadings of the party and the extant provisions of the Code and the Rules made thereunder.

4. As detailed supra, the Resolution Professional and the CoC of the Corporate Debtor, have made their best efforts to find a suitable Resolution Plan to revive the business of the Corporate Debtor. However, sole Resolution Plan received found not to be in compliance with parameters prescribed under the extant the Provisions of Code and the Rules made thereunder. Therefore, there is no other alternative for the CoC except to seek to order to liquidate the Corporate Debtor as per the provisions of the Code. The Resolution to initiate liquidation was also approved by the CoC with requisite majority as per law and the instant Application is filed strictly in accordance with law. The CoC has also proposed Shri Shivadutt Bannanje as a common Liquidator, for consolidated liquidation of the Corporate Debtors, who has filed a written consent dated 07.05.2021 to act as a Liquidator of the Corporate Debtors i.e., M/s. B.T.& F.C. Private Limited and M/s. Bangalore Dehydration and Drying Equipment Co. Private Limited, U/s 34(1) of the IBC, 2016, by inter alia declaring that he is not related party of the Corporate Debtor etc. and vide another Affidavit dated 14.06.2021 has further declared that no disciplinary proceedings are initiated or pending against him by the IBBI. Hence, he is provisionally eligible to be appointed as a common Liquidator. Therefore, it is a fit case to initiate Liquidation in respect of Corporate Debtors.
5. In view of the facts and circumstances of the case, the Adjudicating Authority, by exercising powers conferred under Section 33(1), 33(2) & 34(1) of the IBC, 2016, disposed of I.A.No.235 of 2021 in C.P.(IB)No.165/BB/2018 clubbed with C.P.(IB)No.135/BB/2018 with following directions:

- a) It is hereby ordered that the Corporate Debtors, namely, M/s. B.T. & F.C. Private Limited and M/s. Bangalore Dehydration and Drying Equipment Co. Private Limited are to be liquidated in the manner as laid down in Chapter III of

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Part II of Code, R/w IBBI (Liquidation process) Regulations, 2016.

- b) Shri Shivadutt Bannanje is hereby appointed as a common Liquidator, subject to the terms and conditions to be agreed upon by the parties in the light of extant provisions of the IBBI. He is directed to follow due process of law as per above Chapter and Regulations and to issue public announcement immediately by stating that the said Corporate Debtors are in liquidation.
- c) The Liquidator is directed to strictly adhere to the extant provisions of the Code and the Rules made thereunder framed by the IBBI from time to time and also directed to take expeditious steps to complete the liquidation process in the light of various orders.
- d) He is further directed to take steps for early dissolution of Corporate Debtors, in terms of Rule 14 of IBBI (Liquidation Process) Regulations;
- e) The Registry is directed to communicate a copy of this order to all Parties immediately for information and to take necessary action.

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BHASKARA PANTULA MOHAN  
ACTING PRESIDENT

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HEMANT KUMAR SARANGI  
MEMBER, TECHNICAL



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Bengaluru Bench

