

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH**


PRESENT: HON'BLE SHRI K ANATHA PADMNABHA SWAMY- MEMBER JUDICIAL

PRESENT: HON'BLE SHRI BINOD KUMAR SINHA -MEMBER TECHNICAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 08.08.2019 AT 10.30 AM

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|----------------------------------|--|
| TRANSFER PETITION NO. | |
| COMPANY PETITION/APPLICATION NO. | IA NO. 587/2019 in CP(IB) No.130/7/HDB/2018 |
| NAME OF THE COMPANY | Titan Energy Systems Ltd |
| NAME OF THE PETITIONER(S) | STATE BANK OF INDIA |
| NAME OF THE RESPONDENT(S) | Titan Energy Systems Ltd |
| UNDER SECTION | 7 OF IBC |

Counsel for Petitioner(s):

| Name of the Counsel(s) | Designation | E-mail & Telephone No. | Signature |
|------------------------|-------------|-----------------------------------|---|
| G. MURALI | RP Team | gmurali34@gmail.com 9884504060 |  |
| | | | |

Counsel for Respondent(s):

| Name of the Counsel(s) | Designation | E-mail & Telephone No. | Signature |
|------------------------|-------------|------------------------|-----------|
| | | | |
| | | | |

ORDER

Orders pronounced in open court. IA allowed vide separate order.



MEMBER TECHNICAL



MEMBER JUDICIAL

AS

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD**

**IA No.587/2019
In
CP(IB)No.130/7/HDB/2018**

In the matter of:- Titan Energy Systems Limited

1. State Bank of India
Registered Office is situated at:
State Bank Bhavan, 14th Floor,
Madame Cama Road Nariman Point,
Mumbai, Maharashtra – 400021.

...Petitioner/Financial Creditor

Vs

2. M/s.Titan Energy Systems Limited
No.16, Aruna Enclave, Tirumalagiry,
Secunderabad, Telangana – 500051, India.

...Respondent/Corporate Debtor

3. Mr.G.Madhusudhan Rao
Resolution Professional,
(IBBI/IPA-001/IP-P00181/2017-18/10360)
D.No.7-1-285, Flat No.103,
Sri Sai Swapna Sampada Apts,
Balkampet, Hyderabad-500 038,
Telangana State.

...Applicant/Resolution Professional

Order pronounced on: 08.08.2019

**Coram: MEMBER (JUDICIAL) K. ANANTHA PADMANABHA SWAMY
MEMBER (TECHNICAL) Dr. BINOD KUMAR SINHA**

Parties/Counsel Present:

G. Madhusudhan Rao, RP

Per: Dr. BINOD KUMAR SINHA, MEMBER (TECHNICAL)

ORDER

1. The present Application bearing IA No.587/2019 in CP(IB)No.130/7/HDB/2018 is filed by Resolution Professional U/s. 33 of the IB Code, 2016 inter-alia praying to pass an order of Liquidation against the Corporate Debtor herein and appoint him as a Liquidator.
2. It is stated that the Applicant Company was admitted for commencement of CIRP Process vide Order dated 09.01.2018.
3. It is stated that the Interim Resolution Professional made a **Public Announcement on 15th February, 2019** intimating the commencement of Corporate Insolvency Resolution Process in the matter of M/s.Titan Energy Systems Limited, inviting the creditors to submit their Claims.
4. It is stated that the IRP has constituted the CoC as under and conducted First CoC Meeting on 12.03.2019:

| S.No. | Name of the Financial Creditor | Voting Percentage |
|-------|--------------------------------|-------------------|
| 1 | State Bank of India | 87.23% |
| 2 | ICICI Bank | 12.77% |

5. It is stated that in the 2nd CoC meeting, dated 22nd March, 2019, IRP was appointed as Resolution Professional (RP).
6. It is stated that the Applicant/RP gave public announcement for "Invitation for Expression of Interest" towards submissions of Resolution Plans on 5th April 2019 in the leading newspapers i.e., in Financial Express and



Nava Telangana. Last date for submission of EOI was 19th April, 2019. It is also submitted that the Applicant/Resolution Professional filed Form-G (Invitation for Resolution Plans) to public.ann@ibbi.gov.in to publish the same in the website of www.ibbi.gov.in. It is submitted that the Applicant/Resolution Professional received 5 EOIs.

7. It is stated that in the 3rd CoC Meeting, dated 2nd April, 2019, the evaluation matrix was finalized by the Committee of Creditors and the same was issued by the RP to all the prospective eligible Resolution Applicants as and when decided as eligible.
8. It is stated that in the 4th CoC Meeting, held on 23rd May, 2019, RP reconstituted Committee of Creditors as under:

| Sl.No. | No of the Financial Creditor | Voting Percentage (%) |
|--------|------------------------------|-----------------------|
| 1 | State Bank of India | 80.25 |
| 2 | ICICI Bank | 11.74 |
| 3 | Barclays Bank PLC | 8.01 |
| | Total | 100.00 |

9. It is stated that in the 5th CoC Meeting, held on 17th June, 2019, extension of time for CIRP kept for e-voting and declined by COC members with 80.25% voting rights. It is also submitted that extension for the last date for submission of Resolution Plan(s) was also declined by CoC members with 80.25% voting rights.
10. It is stated that in the 6th CoC meeting, held on 17th June, 2019, RP informed that no Resolution Plan was received

even after one time extension of the last date for submission of Resolution Plan and CoC members also discussed that the factory, buildings, plant & machineries and other main assets of the Corporate Debtor have already been sold by lenders.

11. It is submitted that approval of liquidation and appointment of Resolution Professional as Liquidator have been kept for E-voting on the 6th CoC meeting, held on 17th June and all CoC members approved for liquidation and continuation of RP as Liquidator with 100% voting share.
12. It is further stated that in absence of any Resolution Plans, the CoC in its 6th CoC meeting, held on 17th June, authorized the Resolution Professional to take appropriate actions as per the provisions of the I&B Code, 2016. The Resolution Professional, in absence of any Resolution Plan and the time period of 180 days also being elapsed on 07th July 2019, had no other option but to rely on the provisions of Section 33 of the I&B Code, 2016.
13. Heard both sides and perused the records.
14. In view of the facts and circumstances recorded by RP in IA No.587 of 2019 filed in CP(IB) No. 130/7/HDB/2018, this Adjudicating Authority did not receive any Resolution Plan under Sub-Section (6) of Section 30. Therefore, in exercise of powers conferred under Sub-Clauses (i), (ii) and (iii) of Clause (b) of Sub-Section (1) of Section 33 of the I&B Code, 2016, we proceed to pass Order as follows:—

- (i) This Adjudicating Authority hereby order for Liquidation of M/s. Titan Energy Systems Limited, which shall be conducted in the manner as laid down in Chapter III of part II of the I&B Code, 2016;
- (ii) This Adjudicating Authority hereby appoint Mr. G. Madhusudhan Rao who has given his consent letter dated 02.07.2019 to act as Liquidator in the present case who shall issue a public announcement stating therein that the Corporate Debtor is in Liquidation;
- (iii) The moratorium declared under Section 14 of the I&B Code, 2016, shall cease to have effect from the date of the order of Liquidation;
- (iv) Subject to Section 52 of the I&B Code, 2016, 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 Authority.
- (v) We make it clear that para (iv) 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.
- (vi) 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.




- (vii) 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 Company Liquidator viz., Mr. G. Madhusudhan Rao. In addition to this, the Company Liquidator shall exercise the powers and duties as enumerated in Sections 35 to 50, 52 to 54 of the I&B Code, 2016, r/w Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- (viii) The personnel of the Corporate Debtor shall extend all assistance and co-operation to the Company Liquidator as may be required by him in managing the affairs of the Corporate Debtor.
- (ix) The Company Liquidator shall be entitled to charge such fee for conducting the Liquidation proceedings in such a proportion to the value of the Liquidation estate assets as specified by the Board under Regulation 4(3) of IBBI (Liquidation Process) Regulations, 2016. Accordingly, the fees for conducting the Liquidation proceedings shall be paid to the Company Liquidator from the proceeds of the Liquidation estate.
- (x) Copy of this Order shall be sent to the concerned Registrar of Companies, RD, OL, Registered Office of the Corporate Debtor and Company Liquidator viz., Mr. G. Madhusudhan Rao for information and compliance.
- (xi) Registry is directed to furnish a copy of this order to IBBI for confirmation of appointment of Liquidator.



(xii) In terms of the above, IA No. 587 of 2019 filed in CP(IB) No. 130/7/HDB/2018 by the RP under Section 33(2) of the I&B Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz., M/s. Titan Energy Systems Limited, stands **disposed off**.


Dr. BINOD KUMAR SINHA
MEMBER (TECHNICAL)


K. ANANTHA PADMANABAHA SWAMY
MEMBER (JUDICIAL)

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