

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH  
COURT HALL NO: II**

**Hearing Through: VC and Physical (Hybrid) Mode**

**CORAM: SHRI.RAJEEV BHARDWAJ- HON'BLE MEMBER (J)**

**CORAM: SHRI.SANJAY PURI, - HON'BLE MEMBER (T)**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,  
HYDERABAD BENCH, HELD ON 20.12.2023 AT 10:30 AM**

<b>TRANSFER PETITION NO.</b>	
<b>COMPANY PETITION/APPLICATION NO.</b>	<b>IA (IBC)/804/2023 IA (IBC)/1616/2023 in CP(IB) No.402/7/HDB/2020</b>
<b>NAME OF THE COMPANY</b>	<b>DQ Entertainment (International) Ltd</b>
<b>NAME OF THE PETITIONER(S)</b>	<b>Export-Import Bank of India</b>
<b>NAME OF THE RESPONDENT(S)</b>	<b>DQ Entertainment (International) Ltd</b>
<b>UNDER SECTION</b>	<b>7 of IBC</b>

**ORDER**

**IA (IBC)/804/2023**

**Present:** Ld. Counsel Mr. M. Maharshi Viswaraj along with CS Dr. Ahaladarao Vummenthala, for the Applicant.

Ld. Counsel for the applicant prays for an adjournment for filing rejoinder. Let rejoinder be filed within ten days. **Matter is adjourned to 11.01.2024.**

**IA (IBC)/1616/2023**

**Present:** Ld. Counsel for the Applicant.

Ld. Counsel Mr. M. Maharshi Viswaraj along with CS Dr. Ahaladarao Vummenthala, for the Respondent.

Counter has already been filed. Applicant is directed to file rejoinder, if any, within ten days. **Matter is adjourned to 11.01.2024.**

**Sd/-**  
**MEMBER (T)**

**Sd/-**  
**MEMBER (J)**

**NATIONAL COMPANY LAW TRIBUNAL  
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**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,  
HYDERABAD BENCH, HELD ON 20.12.2023 AT 10:30 AM**

<b>TRANSFER PETITION NO.</b>	
<b>COMPANY PETITION/APPLICATION NO.</b>	<b>IA (IBC)/1485/2023 in CP (IB) No.402/7/HDB/2020</b>
<b>NAME OF THE COMPANY</b>	<b>DQ Entertainment (International) Ltd</b>
<b>NAME OF THE PETITIONER(S)</b>	<b>Export-Import Bank of India</b>
<b>NAME OF THE RESPONDENT(S)</b>	<b>DQ Entertainment (International) Ltd</b>
<b>UNDER SECTION</b>	<b>7 of IBC</b>

**ORDER**

**IA (IBC)/1485/2023**

Orders pronounced, recorded vide separate sheets. In the result, this application is allowed and disposed of.

**Sd/-**  
**MEMBER (T)**

**Sd/-**  
**MEMBER (J)**

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH - II**

**IA No.1485 of 2023  
in  
CP(IB) No. 402/7/HDB/2020**

*[Under Section 33(2) of Insolvency & Bankruptcy Code, 2016 r/w IBBI (Liquidation Process) Regulations, 2016]*

**In the matter of  
M/s.DQ Entertainment (International) Limited**

CS Dr. Ahalada Rao Vummenthala  
Resolution Professional  
DQ Entertainment (International) Limited  
Flat No.113, Block-B, Sri Datta Sai Commercial Complex  
Opp: Sapthagiri Theatre, RTC 'X' Roads, Hyderabad – 500 020

.... Applicant/Resolution Professional

**Order Pronounced on: 20.12.2023**

**Coram:**

**Hon'ble Shri Rajeev Bhardwaj, Member (Judicial)  
Hon'ble Shri Sanjay Puri, Member (Technical)**

**Parties / Counsels Present:**

For the Applicant : Mr. M. Viswaraj, Advocate

**[PER : BENCH]**

**ORDER**

- I. The instant Application is filed on behalf of the Resolution Professional of the Corporate Debtor, M/s. DQ Entertainment (International) Limited, for short '**CD**' under Section 33(2) of the Insolvency and Bankruptcy Code, 2016 r/w IBBI (Liquidation Process) Regulations, 2016, for short "IBC/Code", inter alia, seeking to liquidate the CD by appointing Mr. Venka Reddy Bathina as Liquidator of the CD and to condone the delay in filing the instant application.
- II. This Adjudicating Authority, vide Order dated 17.06.2022 admitted the Company Petition bearing CP (IB) No.402/7/HDB/2020 filed by M/s.Export-Import Bank of India, for short "**FC**" against the "**CD**" and initiated CIRP process by appointing Mr. Madhusudhan Rao Gonugunta as Interim Resolution Professional (IRP).
- III. In the 1<sup>st</sup> COC meeting held on 16.07.2022, the COC with 68% voting decided to replace the IRP with the Applicant herein as Resolution Professional, for short (**RP**). This Adjudicating Authority, vide Order dated 15.09.2022 in IA 943/2022

appointed CS Dr. Ahalada Rao Vummenthala/the Applicant herein as **'RP'**.

- IV. The Applicant had filed an IA 1426/2022 seeking extension of 90 days to complete the CIRP of the CD, which was allowed by this Adjudicating Authority, vide order dated 06.12.2022, by extending the time upto 15.03.2023.
- V. The Applicant had filed an IA 446/2023 for extension of CIRP period by another 90 days, which was allowed by this Adjudicating Authority, vide order dated 15.03.2023, by extending the time upto 13.06.2023 to complete the CIRP.
- VI. It is averred that subsequently, due to the administrative and operational issues, the Applicant had filed another IA 948/2023 seeking extension of another 90 days, which was allowed by this Adjudicating Authority, vide order dated 09.06.2023 and that shall expire on 11.09.2023.
- VII. In response to the Expression of Interest (EOI), the following Resolution Plans were received from the following Resolution Applicants:

- i. M/s.Northeast Broking Services Limited
- ii. Mr. Arun Kumar Bhangadia and Mrs. Kiran Bhangadia (Joint Application)
- iii. Mr. Prasanna Sai Raghuvver

VIII. It is averred that as the Resolution Plans received from the Resolution Applicants were not compliant plans in accordance with the IBC, 2016, the RP has not placed the Resolution Plans before the COC for e-voting.

IX. It is averred that in the 18<sup>th</sup> COC Meeting held on 05.09.2023, the COC with 68% voting share passed the following resolutions to liquidate the CD as the CD has no significant operations for the past 4 years, the Resolution Plans received are not in compliance with the IBC, 2016 and the rules and regulations made thereunder. The COC with requisite voting further passed the following resolutions:

***“RESOLVED THAT the consent of the Committee members with requisite majority be and is hereby accorded to liquidate the Corporate Debtor in accordance with Section 33, 34 and other applicable sections of the Insolvency and Bankruptcy Code, 2016, r/w Regulation 39B, 39BA, 39C, 39D, 40D and other applicable regulations of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 r/w Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.***

***FURTHER RESOLVED THAT the COC members hereby authorise the lead banker (Axis Bank Limited) to finalise the name of the Liquidator and the remuneration and other terms and conditions.***

***FURTHER RESOLVED THAT the COC members further authorised the lead banker (Axis Bank Limited) to initiate the Liquidation process by exploring for compromise or arrangement or to sale the Corporate Debtor as going concern basis and sale of business or assets on piece meal basis, after analysis in consultation with other committee members and recommend accordingly”.***

**A copy of extract of 18<sup>th</sup> COC meeting is filed as Annexure-3 of the application.**

- X. It is averred that the CIRP cost payable as on 08.09.2023 is Rs.1,74,56,961/-. **A copy of details of CIRP cost is filed as Annexure-4 at pg. nos.27 to 31 of the application.**
- XI. Subsequently, the Applicant had filed a Memo dated 21.11.2023 stating that the CIRP cost/expenses incurred for the Corporate Debtor as on 21.11.2023 is Rs.2,68,87,857/-.
- XII. It is prayed that the instant application is filed prior to the last date of CIRP closure in accordance with the Code and such shorter period may be accepted and condoned by this Adjudicating Authority.

XIII. We have heard the Learned Counsel for RP and perused the record.

XIV. In view of the facts and circumstances as recorded by the RP in IA No. 1485 of 2023 filed in CP(IB) No. 402/7/HDB/2020, since this Adjudicating Authority did not receive any Resolution Plan under Sub-Section (6) of Section 30 of the I&B Code, 2016, and this Adjudicating Authority deems it proper to allow the Application bearing IA No.1485/2023. Accordingly, in exercise of powers conferred under Sub-Clause (i), (ii) and (iii) of Clause (b) of Sub-Section (1) of Section 33 of the I&B Code, 2016, we proceed to pass the Order, by condoning the delay for filing the present application as follows:—

- i. This Adjudicating Authority hereby order for Liquidation of **M/s. DQ Entertainment (International) 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. Venka Reddy Bathina, having Regn. No.IBBI/IPA-002/IP-N00645/2018-19/12032, email: [bvracs123@gmail.com](mailto:bvracs123@gmail.com), Mobile: 9848673524 as Liquidator as proposed by the lead

banker i.e. Axis Bank Limited. He has given his consent in Form-2 and holds AFA which is valid upto 26.09.2024. He 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 CD. 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) herein above 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.Venka Reddy Bathina. 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 Liquidator shall keep in view of the provisions of Regulation 32A of IBBI (Liquidation Process) Regulations, 2016 and shall endeavour to first sell the Corporate Debtor or its business as a going concern. However, if he is unable to sell the Corporate Debtor or its business within 90 days from liquidation commencement date, the Liquidator shall proceed to sell the assets of the Corporate Debtor under clauses (a) to (d) of Regulation 32 of IBBI (Liquidation Process) Regulations, 2016.

- x. The Liquidator shall be entitled to charge such fee for conducting the Liquidation proceedings in accordance with the decision taken by the COC under Regulation 39D of IBBI (Insolvency Resolution Process Corporate Persons) Rules, 2016 r/w Regulation 4(1) of IBBI (Liquidation Process) Regulations, 2016.
- xi. 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. Bathina Venka Reddy for information and compliance.
- xii. Registry is directed to furnish a copy of this order to IBBI for confirmation of appointment of Liquidator.
- xiii. Accordingly, Application bearing **IA No. 1485/2023 is allowed and stands disposed of.**

**Sd/-**

**SANJAY PURI  
MEMBER (TECHNICAL)**

**Sd/-**

**RAJEEV BHARDWAJ  
MEMBER (JUDICIAL)**

**Syamala**