

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH - 1**

ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
31-03-2022 AT 10:30 AM THROUGH VIDEO CONFERENCE.

IA(IBC)162 /2022
CP(IB) No.15/9/HDB/2021
U/s 9 of IBC, 2016

IN THE MATTER OF:

Dugar Polymers Limited

...Operatinoal Creditor

Vs

Maruthi Tubes Pvt Ltd

...Corporate Debtor

C O R A M :-


DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)
SH. VEERA BRAHMA RAO AREKAPUDI, HON'BLE MEMBER (TECHNICAL)

ORDER

IA 162/2022: Orders pronounced vide separate sheets. In the result, the application is allowed. Liquidation is ordered subject to the conditions mentioned in the order.


MEMBER (T)

Binnu


MEMBER (J)

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH-1**

IA (IBC)/162/2022 in CP (IB) No. 15/9/HDB/2021

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

In the matter of Maruthi Tubes Private Limited

Filed by

Shri. Bondalapati Srinivasa Rao

Resolution Professional of Maruthi Tubes Private Limited

IBBI/IPA-001/IP-P01643/2019-2020/12743

H.No. 10-2-289, Flat No. 303, Chakkilam,

NNR Estate, Shanthi Nagar, Masab Tank,

Hyderabad – 500028.

...Applicant/Resolution Professional

Date of order: 31.03.2022

Coram

Dr. Venkata Ramakrishna Badarinath Nandula, Hon'ble Member (Judicial)

Shri Veera Brahma Rao Arekapudi, Hon'ble Member (Technical)

Parties/ Counsels present:

For the Applicant : Smt. M S Mano Ranjini, Advocate for Resolution
Professional



PER: BENCH

1. The Resolution Professional (hereinafter referred as “RP”) filed this application under Section 33(2) of the Insolvency & Bankruptcy Code, 2016 (hereinafter referred as “Code”) for issuance of directions for liquidation of Maruthi Tubes Private Limited (hereafter referred as “Corporate Debtor”) by this Adjudicating Authority.
2. The gist of Application in brief are:-
 - i. The Operational Creditor i.e., Dugar Polymers Limited had filed an application under Section 9 of the Code bearing Company Petition IB/15/2021 for initiation of Corporate Insolvency Resolution process against the Corporate Debtor. The said Petition was admitted by this Adjudicating Authority vide order dated 10.11.2021 and appointed Shri. Bondalapati Srinivasa Rao, the applicant herein as Interim Resolution Professional (IRP), who is continuing as Resolution Professional.
 - ii. Pursuant to publication of notice inviting claims from the creditors of the Corporate Debtor, the IRP after collating and verifying claims, constituted Committee of Creditors (COC) with sole member i.e., State Bank of India and IRP conducted the first COC meeting and COC unanimously appointed the IRP as the RP of the Corporate Debtor.



- iii. After the first Committee of Creditors meeting, the RP appointed two valuers for determining the fair value and liquidation value of the Corporate Debtor.
- iv. The applicant filed an application under Section 19 (2) of the Code bearing IA (IBC)/258/2022 seeking necessary orders by this Adjudicating Authority for non- co-operation of the ex-management of Corporate Debtor and the same was disposed of by this Adjudicating Authority vide order dated 23.03.2022.
- v. The Applicant convened Second COC meeting to issue Expression of Interest (EOI) as per the timelines prescribed, but the same meeting was postponed due to non-availability of Authorized person from the COC and the same was conducted on 02.02.2022. After due deliberations and discussions it is noted that all the machinery, factory land building of Corporate Debtor are sold and paid to the Financial Creditors of the Corporate Debtor and only one asset is left in the name of Corporate Debtor. Accordingly, the COC members decided to go for liquidation of Corporate Debtor with 100% voting and directed the Applicant to file an application before this Adjudicating Authority for ordering Liquidation of the Corporate Debtor.
- vi. In the Second COC meeting, the members resolved for Liquidation of the Corporate Debtor, the appointment of the Liquidator, meeting the liquidation costs and the fees of the Liquidator as per the law.

3. We have heard the Learned Counsel for the Resolution Professional, perused the record.



4. It is noted that there is only one asset left in the name of the Corporate Debtor hence, no point of public announcement for receiving EOIs.

5. It is further noted from the resolutions passed by the COC meetings that Shri. Bondalapati Srinivasa Rao, the applicant herein, having IP No. IBBI/IPA-001/IP-P-01643/2019-2020/12743 has given the consent dated 14.02.2022 to act as the Liquidator of the Corporate Debtor.

6. We are fully conscious of the fact that the primary object of the Code is resolution and liquidation is the last resort. At the same time keeping the timelines prescribed under the Code is paramount, lest asset value is deteriorated. Therefore, taking into consideration the provisions of law as well as the documents on record, this Adjudicating Authority is of the view that as there is only one asset in the name of the Corporate Debtor, the only option left under the circumstances being early liquidation process, we allow this application, directing the liquidation of the Corporate Debtor.

ORDER

a) This Adjudicating Authority hereby orders for liquidation of Maruthi Tubes Private Limited, the Corporate Debtor herein, which shall be conducted in the manner as laid down in Chapter III of part II of the Code, 2016;

b) Shri. Bondalapati Srinivasa Rao having Registration No. IBBI/IPA-001/IP-P-01643/2019-2020/12743, is hereby appointed as Liquidator.



- c) He shall issue public announcement stating that the Corporate Debtor is in liquidation in terms of Regulation 12 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- d) The moratorium declared under Section 14 of the Code, shall cease to have effect from the date of the order of liquidation;
- e) Subject to Section 52 of the Code, 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) All the 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.
- g) The Liquidator shall exercise the powers and perform duties as envisaged under Sections 35 to 50 and 52 to 54 of the Code read with the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- h) Personnel connected with the Corporate Debtor shall extend all assistance and co-operation to the Liquidator as would be required for managing its affairs.
- i) The Liquidator shall be entitled to such fees as may be specified by the Board in terms of Section 34(8) of the Code.



IA (IBC)/162/2022 in CP (IB) No. 15/9/HDB/2021
Date of Order: 31.03.2022

- j) The Applicant is directed to serve the copy of this order to Registrar of Companies, Regional Director, Official Liquidator of Hyderabad, Registered office of the Corporate Debtor for information and compliance.


VEERA BRAHMA RAO AREKAPUDI
MEMBER (TECHNICAL)


DR. N VENKATA RAMAKRISHNA BADARINATH
MEMBER (JUDICIAL)

Vismaya (LRA)