

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH, CHENNAI**

CA/671/C-III/2019 in
CP/IB/1368/ND/2018 filed under
Section 33(2) of the Insolvency and
Bankruptcy Code, 2016

In the matter of Virgo Services Private Limited

Mr. Yogesh Kumar Gupta,
Resolution Professional

... Applicant

Order delivered on 30 of October, 2019

CORAM :

**SHRI. CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)
SHRI. K.K.VOHRA, MEMBER (TECHNICAL)**

For Resolution Professional : Mr. Neeraj Gupta (Advocate)

ORDER

CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)

1. This relates to CA-671/C-III/ND/2019 filed in IB/1368/ND/2018 by Mr. Yogesh Kumar Gupta (hereinafter referred to as 'Resolution Professional') under Section 33(2) of the Insolvency and Bankruptcy Code, 2016.

The prayer made in the Application is to pass an order of

liquidation pertaining the Corporate Debtor (CD) viz., M/s. Virgo Services Private Limited.

2. Originally IB/1368/ND/2018 filed under Section 7 of the I&B Code, 2016 by the Corporate Debtor was admitted by this Authority vide Order dated 11.06.2019, the CIR Process was initiated against the CD and the Applicant viz., Mr. Yogesh Kumar Gupta was appointed as Interim Resolution Professional (IRP).

3. It is averred that pursuant to the Order of this Authority dated 11.06.2019, the IRP had taken over the management of the CD and had issued the Newspaper Publication dated 14.06.2019 in two edition one in English and another in vernacular as per Regulation 6 (1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Debtor) Regulations, 2016, inviting the claims from the creditors. After verification of the claims received, the IRP constituted the Committee of Creditors (CoC). In the 1st CoC Meeting held on

17.07.2019, the Applicant viz., Mr. Yogesh kumar Gupta was appointed as Resolution Professional (RP).

4. RP had prepared Information memorandum under Section 29 of the Code, 2016 read with Regulation 36 of the IBBI (Insolvency Resolution Process for Corporate Person) Regulations, 2016 .

5. It is noted that the RP has appointed two valuers namely Himanshu Shekhar & CA Mr Munish Aggarwal on 4.8.2019 pursuant to Regulation 27 of CIRP regulations. RP appointed the second set of valuers namely CMA Manish Chandra and Sh Brahm Pal Bhardwaj on 4.8.2019 and they submitted their report on 14.8.2019 and 17.8.2019 which is annexed as annexure F and G.

6. The RP convened 2nd COC meeting on 9.9.2019 to consider the invitation of expression of Interest and publication of form G, in this the summary discussion as recorded in the minutes thereof is as under-



a. The COC had, at its first meeting, approved estimated CIRP costs of Rs 8,65,400/-. However, the book value of assets of the CD as per the latest financials, is much less than the estimated CIRP costs. Thus, it is unlikely that even the CIRP cost can be recovered from disposal of the assets of the CD.

b. The RP has further determined there are no assets to restart the business of movie and TV programme production, which was the main business of the CD, it would be difficult to attract resolution applicants during the CIRP process as there were no assets to leverage.

c. The Committee Members took the decisions as follows-

(i) Resolved that the CD Moving Picture Company Limited be liquidated and Mr. Yogesh Kumar Gupta, RP be and is hereby authorised to file an application with the Adjudicating Authority in this regard.

(ii) Mr. Yogesh Kumar Gupta be appointed as the Liquidator of the CD Moving Picture company Limited on a

consolidated remuneration of Rs 1,50,000/- if an order for its liquidation is passed by the Adjudicating Authority under Section 33 of the IBC, 2016.

7. Since no Resolution Plan is received by this Authority under Sub-section (6) of Section 30 of the I&B Code, 2016, before the expiry of the Corporate Insolvency Resolution Process period of 180 days, the Corporate Debtor has to be ordered for liquidation.

ORDER

8. In view of the facts and circumstances recorded by Resolution Professional in CA/671/C-III/ND/2019 filed in IB/1368/ND/2018 and in exercise of powers conferred under Sub-Clauses (i) (ii) and (iii) of Clause (a) of Sub-Section (1) of Section 33 of the I&B Code, 2016, this Authority proceeds to pass Liquidation Order as follows:-

- I. This Authority hereby orders for liquidation of the Corporate Debtor (CD) viz., M/s. Virgo 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. This Authority hereby appoints Mr. Yogesh Kumar Gupta as Company Liquidator who shall issue a public announcement stating therein that the CD 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 CD, with the prior approval of this Authority.

V. This Authority makes 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 CD, except when the business of the CD 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 CD, as the case may be, shall cease to have effect and shall be vested with the Company Liquidator viz., Mr. Yogesh Kumar Gupta 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 CD shall extend all assistance and co-operation to the Liquidator as may be required by him in managing the affairs of the CD.

IX. The Company Liquidator shall be entitled to charge such fees for the conduct of the liquidation proceedings and in such a proportion to the value of the liquidation estate assets as specified under Regulation 4 (2) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

X. The Registry is directed to communicate this order with immediate effect to the concerned Registrar of Companies, RD, OL, Registered Office of the CD and Company Liquidator viz. Mr. Yogesh Kumar Gupta, for information and compliance.

10. In terms of the above, CA/671/C-III/ND/2019 filed in IB/1368/ND/2018 by the Resolution Professional under Section 33(2) of the I&B Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz., M/s. Virgo Services Private Limited is **allowed**.

-Sd-

(K.K.VOHRA)
MEMBER (TECHNICAL)

-Sel-

(CH. MOHD SHARIEF TARIQ)
MEMBER (JUDICIAL)

U.D.Mehta/D