



SL. No.3

**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 11.06.2024 AT 10:30 AM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA (IBC)(Liq)/12/2024 in CP (IB) No.252/9/HDB/2020
NAME OF THE COMPANY	AGS Management Services Pvt Ltd
NAME OF THE PETITIONER(S)	Akaal Enterprises Pvt Ltd
NAME OF THE RESPONDENT(S)	AGS Management Services Pvt Ltd
UNDER SECTION	9 of IBC

ORDER

IA (IBC)/12/2024

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

Sd/-

MEMBER (T)

Sd/-

MEMBER (J)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – II**

IA 12/2024

in

CP(IB) No.252/09/HDB/2020

[U/s. 33(1) of Insolvency & Bankruptcy Code, 2016]

In the matter of:

Mr. Sreenivasa Rao Ravinuthala
Resolution Professional of
M/s. AGS Management Services Pvt. Ltd.
FF 26, Raghava Ratna Towers, Chirag Ali Lane
Abids, Hyderabad – 500 001.

... Applicant

Date of Order : 11.06.2024

CORAM:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

Counsels present:

For the Applicant : Mr. SK Gouse, PCS &
Mr. Sreenivasa Rao Ravinuthala, RP

[PER : BENCH]

ORDER

- I. The instant Application is filed by the Resolution Professional (**RP**) of M/s. AGS Management Services Private Limited (CD) under Section 33(1) of the Insolvency and Bankruptcy Code, 2016 (IBC/Code), seeking to liquidate the CD and appoint the Liquidator.



- II. This Authority, vide Order dated 23.11.2023 admitted the Company Petition bearing CP (IB) No.252/9/HDB/2020 filed by M/s.Akaal Enterprises Pvt. Ltd. (OC) against the CD and initiated CIRP process by appointing Mr. Narender Reddy Banala as Interim Resolution Professional (IRP).
- III. On assuming charge as IRP, the IRP took various steps/actions for completing the CIRP process.
- IV. Subsequently, the Applicant herein, Mr. Sreenivasa Rao Ravinuthala was appointed as Resolution Professional (RP), vide Order of this Authority dated 19.01.2024.
- V. The Applicant issued Form-G on 29.02.2024 inviting Expression of Interest (EOI) from the Prospective Resolution Applicants (PRAs) by fixing the last date for submission of EOI as 13.03.2024. In response, since the CD is an MSME, one of the suspended directors, Mr.GSVR Murthy submitted his EOI, which was withdrawn by him on 20.04.2024.
- VI. The RP informed the COC at their 7th COC Meeting held on 02.05.2024 that the sole PRA has withdrawn the EOI; CIRP period is going to expire on 21.05.2024; and sought approval of COC to file an application for liquidation of the CD. As there is no EOI and there is no possibility of getting the Resolution Plan



as per the timelines prescribed in the Code, it is proposed to Liquidate the CD.

- VII. The COC at its 7th COC Meeting held on 21.05.2024 decided to liquidate the Corporate Debtor with 86.83% voting share by passing the following resolutions and directed the Applicant/RP to file an application before this Authority:

To approve the initiation of Liquidation Process of the CD:

“RESOLVED THAT the consent of the Committee of Creditors (CoC) be and is hereby accorded for initiation of liquidation process of the Corporate Debtor i.e. AGS Management Services Private Ltd. under Section 33 of the Insolvency and Bankruptcy Code, 2016.

RESOLVED FURTHER THAT Resolution Professional be and is hereby authorised to file an application for initiation of Liquidation Process of the Corporate Debtor before the Adjudicating Authority and to do all such other acts, deeds and things, which are deemed to be fit and expedient for carrying on the resolution.

To approve the sale of the assets of the Corporate Debtor on stand alone basis as per the Regulation 33(1) of the IBBI (Liquidation) Regulations:

It is averred that the CD is having a flat in Hyderabad, which was mortgaged to ICICI Bank against the sanction of home



loan. Once the ICICI Bank relinquishes the property to the proposed Liquidator, the following Resolutions can be passed by the COC:

RESOLVED THAT the properties belong to the Corporate Debtor be sold in public auction as per the Regulation 33(1) of IBBI (Liquidation) Regulations, subject to the relinquishment of the property by the ICICI Bank, exclusive charge holder.

After deliberations, the COC voted for sale of asset on stand alone basis as per Regulation 32(a) and opted to pay the Liquidator's fee by passing the following resolutions:

RESOLVED THAT in terms of Regulation 39D of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the COC hereby approves the following fee to be paid to the Liquidator.

a.	Period used for compromise or arrangement under Section 230 of the Companies Act, 2013	Not applicable
b.	Period used, if any, for sale under clauses (a) of Regulation 32 of Liquidation Regulations	Rs.1,00,000/- per month plus GST
c.	Balance period of Liquidation	



RESOLVED FURTHER THAT such fee shall form part of the liquidation costs in terms of the provisions of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016”.

- VIII. The CoC members directed the Applicant to file an application before this Authority under Section 33 of the Code to liquidate the CD and decided to continue the present RP, Mr. Sreenivasa Rao Ravinuthala as the Liquidator of the CD. The Applicant has submitted his written consent to act as Liquidator under Section 34 (1) of the Code and IBBI (Liquidation Process) Regulations, 2016.
- IX. We have heard the Learned PCS for the RP & Learned RP and perused the record.
- X. In view of the facts and circumstances as recorded by RP in the instant application and that the Applicant did not receive any EOI and there is no possibility of getting the Resolution, we deem it proper to allow the instant application. 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 as follows:—



- i. We order for Liquidation of M/s. AGS Management 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. We appoint Mr. Sreenivasa Rao Ravinuthala as Liquidator as resolved by CoC. He has given his consent in Form-2 and holds AFA which is valid upto 30.10.2024. He 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. 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 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 in the Company Liquidator viz., Mr. Sreenivasa Rao Ravinuthala. 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 Company Liquidator as may be required by him in managing the affairs of the CD.
- ix. The Liquidator shall keep in view the provisions of Regulation 32A of IBBI (Liquidation Process) Regulations, 2016 and shall endeavour to first sell the CD or its business as a going concern. However, if he is unable to sell the CD or its business within 90 days from liquidation commencement date, Liquidator shall proceed to sell the assets of the CD 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 CD and Company Liquidator viz., Mr. Sreenivasa Rao Ravinuthala for information and compliance.
- (i) Registry is directed to furnish a copy of this order to IBBI for confirmation of appointment of Liquidator.
- (ii) Accordingly, Application bearing IA No. 12/2024 in CP(IB) No.252/HDB/9/2020 is allowed and stands disposed of.

Sd/-

**SANJAY PURI
MEMBER (TECHNICAL)**

Sd/-

**RAJEEV BHARDWAJ
MEMBER (JUDICIAL)**

Syamala