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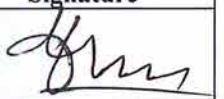
**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH**

**PRESENT: HON'BLE SHRI RATAKONDA MURALI- MEMBER JUDICIAL
HON'BLE SHRI NARENDER KUMAR BHOLA- MEMBER TECHNICAL**

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 20.11.2019 AT 10.30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA No.1003/2019 in CP(IB) No. 145/7/HDB/2018
NAME OF THE COMPANY	Sri Ramgiri Spinning Mills Ltd
NAME OF THE PETITIONER(S)	The Oriental bank of Commerce
NAME OF THE RESPONDENT(S)	Sri Ramgiri Spinning Mills Ltd
UNDER SECTION	7 of IBC

Counsel for Petitioner(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature
D. Gopdathrishma	Advocate In R.P.	9848080933	

Counsel for Respondent(s):

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

ORDER

Today matter is listed for orders. Orders pronounced in IA Nos. 1003/2019 vide separate orders.


Member (T)

Syamala


Member (J)

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH**

IA No. 1003 of 2019
in
CP (IB) No. 145/7/HDB/2019

U/s 33 of IBC, 2016

**In the matter of Oriental Bank of Commerce Vs
Sriramagiri Spinning Mills Limited:-**

Sivarama Prasad Bhamidi
Resolution Professional of
Sriramagiri Spinning Mills Limited
Plot No. 410, Road No.22, Jubilee Hills
Hyderabad.

...Applicant

Date of order: 20.11.2019

Coram:

Hon'ble Shri Ratakonda Murali, Member (Judicial)
Hon'ble Shri Narender Kumar Bhola, Member (Technical)

Appearance:

For Applicant: Shri D. Gopala Krishna, Advocate

Heard on: 08.11.2019

**PER: SHRI NARENDER KUMAR BHOLA
MEMBER (TECHNICAL)**

1. Under consideration before us is the Interlocutory Application filed under Section 33 of Insolvency & Bankruptcy Code, 2016, seeking direction to pass an





order of Liquidation in respect of Corporate Debtor /
Sriramagiri Spinning Mills Limited.

2. At the first instance, this Tribunal admitted the Petition filed under Section 7 of Insolvency & Bankruptcy Code, 2016 against Sriramagiri Spinning Mills Limited on 04.12.2018 and appointed Sri C.B. Mouli as Interim Resolution Professional (IRP).
3. Pursuant to the above order of this Tribunal, the IRP made public announcement on 07.12.2018 inviting claims from the Creditors of Corporate Debtor.
4. Aggrieved by the Order of this Tribunal, the Corporate Debtor filed CRP No. 7231 of 2018 and Hon'ble High Court of Telangana ordered interim stay on Resolution Process including appointment of IRP vide order dated 06.12.2018, which was later vacated by Hon'ble High Court on 01.05.2019.
5. On the request of the IRP, this Tribunal vide orders passed on 11.06.2019 allowed a time period of 148 days to complete the CIRP with effect from 11.06.2019. Pursuant to this order of the Tribunal, IRP issued public announcement on 13.06.2019 in Financial Express and Nava Telangana (Hyderabad Edition) and Nava Telangana (Khammam Edition) inviting claims.
6. Based on the claims received, the IRP constituted Committee of Creditors (CoC) on 25.06.2019 and submitted the report to the Adjudicating Authority on

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25.06.2019. The CoC comprised of one Financial Creditor i.e. Petitioner in the main petition with 100% voting share in the CoC. Further is it stated that no claims were received from Operational Creditors, Employees and Workmen and Governmental Authorities within the last date stipulated in the public announcement.

7. It is stated in the 1st meeting of CoC held on 01.07.2019, the CoC with 100% voting share approved appointing Applicant herein as Resolution Professional, which was approved by this Tribunal vide orders passed on 16.07.2019.
8. During the course of CIRP, the Applicant/ Resolution Professional herein appointed six registered valuers. The Resolution Professional in all conducted six CoC Meetings.
9. In the 3rd CoC meeting held on 03.08.2019, the CoC approved Form G which was published in "the Economic Times" (English newspaper) and "Mana Telangana" (Telugu newspaper) in Hyderabad and Nalgonda Editions and further in "Eenaadu" Telugu Newspaper. It is stated that in spite of the newspaper publications, there was no response expressing interest to offer Resolution Plans.
10. In the 4th CoC meeting held on 28.08.2019, the CoC reviewed the situation and noted that no Expression Of Interest (EoI) is received and as such CoC did not prefer to republish Form "G" on account of prevailing difficult

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market conditions for spinning mills in general and for a closed unit with no availability of critical equipment in particular.

11. In its 5th CoC meeting held on 14.10.2019, the CoC recommended to liquidate the Corporate Debtor and in the 6th CoC meeting held on 25.10.2019, CoC passed a resolution authorising the Resolution Professional to move an Application to the Adjudicating Authority under Section 33 (2) of IBC, 2016 as there was no response to EoI.
12. It is also stated by the Applicant that CoC has not approved the liquidation cost as proposed by the Resolution Professional. It is also further stated that due to a fire accident the operations of Corporate Debtor have been halted since February 2019 and as such CoC has not recommended for the sale of Corporate debtor or its business as a going concern.
13. We heard the Counsel for the Resolution Professional. The Present Application is filed by the Resolution Professional under Section 33 of the Code seeking initiation of liquidation process of M/s. Sriramagiri Spinning Mills Limited (Corporate Debtor).
14. The Resolution Professional informed the Tribunal that in the 6th CoC meeting held on 25.10.2019, the members of CoC with 100% voting share approved for liquidating the Corporate Debtor Company.





15. Section 33 of Insolvency and Bankruptcy Code, 2016 read as follows:

Where the Adjudicating Authority, – before the expiry of the insolvency resolution process period or the maximum period permitted for completion of the corporate insolvency resolution process under section 12 or the fast track corporate insolvency resolution process under section 56, as the case may be, does not receive a resolution plan under sub-section (6) of section 30; or

rejects the resolution plan under section 31 for the non-compliance of the requirements specified therein, it shall— pass an order requiring the corporate debtor to be liquidated in the manner as laid down in this Chapter; issue a public announcement stating that the corporate debtor is in liquidation; and require such order to be sent to the authority with which the corporate debtor is registered.

16. As per Section 33(1) (a) of the Code, if the Resolution Plan has not been received under Section 30(6) with in CIRP period, the Tribunal has no other option but to pass a liquidation order. The Resolution Professional has not filed any Resolution Plan before this Tribunal under Section 30(6) with in CIRP period. By relying on Section 33(1) (a) of the Code, the Resolution Professional having

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[Signature]

not submitted any Resolution Plan within CIRP period then it leads to passing an order of liquidation. CoC in its 6th Meeting approved with 100% voting share, a resolution to liquidate the Corporate Debtor. We see no other alternative except passing an order of liquidation requiring the Corporate Debtor/ Sriramagiri Spinning Mills Limited to be liquidated in the manner laid down in Chapter 3 of Part 2 of the Insolvency and Bankruptcy Code, 2016.

17. As per Section 34(1) of the Code after passing the order of liquidation of Corporate Debtor, the Resolution Professional appointed for CIRP Process shall act as Liquidator for conducting Liquidation Process. Accordingly, Shri Sivarama Prasad Bhamidi having Registration No. IBBI/IPA-003/IP-N00084/2017-18/10822 is appointed as Liquidator. The Resolution Professional has given his consent for appointing him as Liquidator.

ORDER

18. In the result, the Application is allowed and Corporate Debtor /Sriramagiri Spinning Mills Limited is ordered to be liquidated.
19. The Liquidator is directed to proceed with the process of liquidation in manner laid down in Chapter III of Part 2 of the Insolvency and Bankruptcy Code, 2016 by

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25. We hereby direct that the fee shall be paid to the Liquidator as envisaged under Regulation 4 of IBBI (Liquidation process) Regulations, which forms part of the liquidation cost.
26. The Liquidator shall submit a Preliminary Report within 75 days from the Liquidation Commencement date as per Regulation 13 of the IBBI (Liquidation Process) Regulations, 2016.

The Application is disposed of accordingly.


20.11.19
NARENDER KUMAR BHOLA
MEMBER (TECHNICAL)


20.11.19
RATAKONDA MURALI
MEMBER (JUDICIAL)

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