

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD**

**IA No.838/2020
In
CP(IB)No.532/07/HDB/2019**

**In the matter of
SRI LAKSHMINARASIMHA OIL MILLS PRIVATE LIMITED**

M/s. Sri Lakshminarasimha Oil Mills Private Limited
Regd. Office: H.No:6-3-563/8/7/1,
Beside Sharada Residency,
Near Bhagat Singh Statue,
Padmavati Nagar,
Near Venkata Ramana Colony,
Khairatabad, Hyderabad – TG 500004.
(Rep. by S. Kasthuri Rangan, Resolution Professional)

...Applicant/Corporate Debtor

Date of Order: 13.05.2021

**Coram: Madan B. Gosavi, Member Judicial.
Dr. Binod Kumar Sinha, Member Technical.**

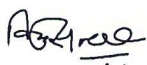
Parties/ Counsels Present:-

Mr. S. Kasthuri Rangan, RP

[Per Bench]

ORDER

1. The present Application bearing IA No.838/2020 in CP(IB)No.532/07/HDB/2019 is filed by Resolution Professional of Applicant Company i.e., M/s Sri Lakshminarasimha Oil Mills Private Limited, U/s.33 of the IB Code, 2016 inter-alia praying to pass an order of Liquidation against the Corporate Debtor herein.





2. That the Applicant Company was admitted for commencement of CIRP vide Order dated 13.11.2019.
3. That the First meeting of Committee of Creditors was called on 06.12.2019, where in the existing IRP was appointed as Resolution Professional by Committee of Creditors.
4. The Expression of interest inviting for Resolution Plans has been called in accordance with regulation 36(5) and the RP received EOI from the three persons who satisfied the eligibility conditions for Resolution Applicants and to submit resolution plan as under:-
 1. Mr. A Venkateswara Rao
 2. Mr. Harshavardhan Reddy
 3. Mrs. Chittimalla Revathi
5. Resolution Professional released final list of prospective Resolution Applicants on 25.03.2020 and also mailed all the Resolution Applicants RFRP, EM and Information Memorandum to their respective mail.
6. Out of three prospective Resolution Applicants, only one Resolution applicant named Mrs. Chittimalla Revathi has requested RP to extend time to submit the plan as the Resolution Applicant was affected due to Covid-19 condition in getting professional help, etc. However, Mrs. Chittimalla Revathi, Resolution Applicant did not deposit the required EMD or SD till 21.08.2020 as stipulated by COC and no communication from the applicant in this regard was received by RP.
7. In the Ninth COC meeting held on 29.08.2020, RP submitted that EMD/SD has not been received from the RA which made the Resolution Plan submitted by her

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ineligible for consideration, RA requested for further time to submit the EMD as stipulated in RFRP. COC expressed their doubt about the financial strength of the Resolution Applicant. After some discussion, it was resolved unanimously as under:-

RESOLVED THAT *the Resolution Plan received from Mrs. Chittimalla Revathi is hereby rejected as the Resolution Applicant fails to remit mandatory refundable security deposit in spite of long time given to RA and advised the Resolution Professional for furtherance of CIRP under IBC.*

FURTHER RESOLVED THAT *Corporate Debtor be liquidated under section 33 of the Insolvency and Bankruptcy Code 2016.*

FURTHER RESOLVED THAT *existing Resolution Professional (S. KASTURI RANGAN) be appointed as liquidator subject to approval of NCLT who would be paid fees as per regulation 4 of the IBBI (Liquidation Process) Regulations, 2016.*

8. CoC further approved the plan for contributing liquidation cost under Regulation 39B(3) of IBBI (CIRP) Regulations, 2016 to meet the liquidation cost as there is no liquid assets available.
9. Heard and perused the records.
10. In view of the facts and circumstances recorded by RP in IA No. 838 of 2020 filed in CP(IB) No.532/07/HDB/2019, this Adjudicating Authority did not receive any Resolution Plan under Sub-Section (6) of Section 30 of the I&B Code, 2016. This Adjudicating Authority deems it proper to allow the Application bearing IA No. 838/2020 as prayed for.

AG Rao

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Accordingly, in exercise of powers conferred under Sub-Clauses (i), (ii) and (iii) of Clause (b) of Sub-Section (1) of Section 33 of the I&B Code, 2016, we proceed to pass Order as follows:—

- (i) This Adjudicating Authority hereby order for Liquidation of M/s. SRI Lakshminarasimha Oil Mills 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 Adjudicating Authority hereby appoint Mr. S. Kasthuri Rangan to act as Liquidator in the present case. He is directed to file his written consent along with the Authorisation for Assignment (AoA) within 7 days from date of this order. 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 Corporate Debtor. 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) 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.

Agree

- (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. S. Kasthuri Rangan. 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 the provisions of Regulation 32A of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and shall endeavour to first sell the Corporate Debtor or its business as going concern. However, if he is unable to sell the Corporate Debtor or its business within 90 days from liquidation commencement date, Liquidator shall proceed to sell the assets of the Corporate Debtor under clauses (a) to (d) of Regulation 32 of

Agreed

Insolvency and Bankruptcy Board of India
(Liquidation Process) Regulations, 2016.

- (x) The Company Liquidator shall be entitled to charge such fee for conducting the Liquidation proceedings in such a proportion to the value of the Liquidation estate assets as specified by the Board under Regulation 4(3) of IBBI (Liquidation Process) Regulations, 2016. Accordingly, the fees for conducting the Liquidation proceedings shall be paid to the Company Liquidator from the proceeds of the Liquidation estate.
- (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., S. Kasthuri Rangan for information and compliance.
- (xii) Registry is directed to furnish a copy of this order to IBBI for confirmation of appointment of Liquidator.

11. Accordingly, Application bearing IA No. 838/2020 stands disposed as allowed.


DR. BINOD KUMAR SINHA
MEMBER TECHNICAL


MADAN B. GOSAVI
MEMBER JUDICIAL