

IN THE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI
COURT-III

CA-115/C-III/ND/2020 filed in IB-
1075/ND/2018 filed under Section 33(2), r/w
34(1) of the Insolvency and Bankruptcy Code,
2016

In the matter of J.L. Knit (India) Ltd

Resolution Professional viz., **Mr. Sandeep Kumar Bhatt**
For **J.L Knit (India) Ltd**

...Applicant/Resolution Professional

Order delivered on 25th February, 2020

CORAM:
CH. MOHD SHARIEF TARIQ
MEMBER (JUDICIAL)
MS. SUMITA PURKAYASTHA
Member (Technical)

Resolution Professional: Mr. Sandeep Kumar Bhatt

ORDER

Per: CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)

1. Under Consideration is CA-115/C-III/ND/2020 filed in IB-1075/ND/2018 under Section 33(2) of the Insolvency and Bankruptcy Code, 2016, (hereinafter referred as 'IBC, 2016') by the Resolution Professional.
2. The prayers made by the Resolution Professional in the Application are as follows:-
 - i. That the Bench may pass orders to liquidate J.L. Knit (India) Ltd under section 33 (2) of IBC, 2016 and
 - ii. Appointment of Liquidator as per section 34 (1)
 - iii. Pass any such other orders or directions as deem fit and proper by this Authority.

3. Originally, Stressed Assets Stabilization Fund (Financial Creditor) has filed IB-1075/ND/2018 under Section 7 of the IBC, 2016 against the Corporate Debtor viz., *J. L. Knit (India) Limited*, to initiate the Corporate Insolvency Resolution Process (hereinafter referred as "CIRP"), to declare moratorium and appoint Interim Resolution Professional (hereinafter referred as "IRP"). This Adjudicating Authority vide its Order dated 08.08.2019, admitted the Application, initiated the CIRP against the Corporate Debtor and appointed Mr. Sandeep K Bhatt as IRP.

4. It is averred that pursuant to the Order of this Authority, the IRP on receiving Order on 20.08.2019, immediately took over the management of the Corporate Debtor and issued the Newspaper Publication on 22.08.2019 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. Thereafter, the IRP constituted Committee of Creditors (hereinafter referred as "CoC") on 10.09.2019 as per Section 21 of the IBC, 2016. The IRP conducted the 2nd and 3rd Meeting of the CoC on 17.10.2019 and 18.01.2020 respectively. The Resolution Professional appointed four Registered Valuers on 30.09.2019.

5. It is stated that the Resolution Professional had invited 'Expression of Interest' (hereinafter referred as 'EoI') as per Section 25(2)(b) of the IBC, 2016 vide publication dated 04.11.2019 for submission of the Resolution Plans by the prospective Resolution Applicants. It is further stated that the Resolution Professional as such has not received any Resolution Plan from the prospective Resolution Applicants.

6. It is averred that the CIR Process period expired on 16.02.2020 and no Resolution Plan was received by the Resolution Professional till 02.01.2020. In the 3rd CoC held on 18.01.2020, after deliberation and discussions, the

CoC unanimously passed the Resolution for Liquidation of the Corporate Debtor. The Resolution passed by the CoC is as follows:

“RESOLVED THAT as no resolution plan has been received by the RP till date whereas last date was 02.01.2020, hence application for liquidation be moved to the Hon’ble NCLT by the RP and the COC resolves to liquidate the Company under the Section 33 (2) of the IB Code”

“RESOLVED FURTHER THAT CMA Sandeep Kr Bhatt working as RP is proposed to be appointed as liquidator in the J L Knit (India) Ltd on 75% remuneration as prescribed under Section 34 (8) and Regulation 4 of the Liquidation Process regulations, 2016 as amended as he has consented to work as liquidator and he should file application to the Hon’ble NCLT to fetch the order of liquidation under Section 33 of the IB Code ”.

7. Accordingly, the Resolution Professional has filed CA-115/C-III/ND/2020 in IB-1075/ND/2018 for seeking order for liquidation of the Corporate Debtor viz., J.L Knit (India) Ltd.

8. As no Resolution Plan has been received by this Authority under Sub-section (6) of Section 30 of the IBC, 2016, before the expiry of the period of 180 days of CIR Process, the Corporate Debtor has to be ordered for Liquidation.

ORDER

9. In view of the facts and circumstances recorded by Resolution Professional in CA-115/C-III/ND/2020 filed in IB-1075/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 IBC, 2016, this Authority proceeds to pass the Orders as follows:-

- I. The Corporate Debtor viz., *J.L Knit (India) Ltd*, is Ordered to be liquidated, which shall be conducted in the manner as laid down in Chapter III of part II of the IBC, 2016;
- II. This Authority appoints **Mr. Sandeep Kr Bhatt** as Company Liquidator, (Reg. No. IBBI/IPA-003/IP-N00038/2017-18/10298, Email ID: skbmica @gmail.com) as Company Liquidator, who shall file the declaration disclosure statement in the Registry of NCLT, Delhi, within two working days from the date of the receipt of this Order and 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 IBC, 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. This Authority makes it clear that Para (IV) hereinabove shall 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.
- 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 with the Company Liquidator viz **Mr. Sandeep Kumar Bhatt**.

VIII. The personnel of the Corporate Debtor shall extend all assistance and co-operation to the Liquidator as may be required by him in managing the affairs of the Corporate Debtor.

IX. The Company Liquidator is appointed on 75% remuneration as prescribed under section 34 (8) and Regulation 4 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 as amended thereto.

10. In terms of the above, CA-115/C-III/ND/2020 filed in IB-1075/ND/2018 by the Resolution Professional under Section 33(2) of I&B Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz., J.L Knit (India) Ltd , stands **disposed of**.

11. Copy of this Order shall be sent to the concerned Registrar of Companies, RD, OL, and Registered Office of the Corporate Debtor by the Company Liquidator viz., **Mr. Sandeep Kumar Bhatt** for information and compliance.

12. The Registry is directed to send a copy of this Order to the Company Liquidator with immediate effect for information and compliance.

13. The Order is pronounced in open Court.


(SUMITA PURKAYASTHA)
MEMBER (TECHNICAL)


(CH. MOHD SHARIEF TARIQ)
MEMBER (JUDICIAL)

This Order of the Bench Consisting of above mentioned Members was pronounced in Open Court on behalf of the Bench by one of the Member under Rule 151.