

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH**

SPECIAL BENCH (video Conference)

CORAM: HON'BLE SHRI K. ANANTHA PADMANABHA SWAMY - MEMBER JUDICIAL

CORAM: HON'BLE DR.BINOD KUMAR SINHA - MEMBER -TECHNICAL

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 04.08.2020 AT 11.00 A.M. THROUGH VIDEO CONFERENCE**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA No.3,47 & 48/2019 in CP(IB) No.52/9/HDB/2017
NAME OF THE COMPANY	Sirpur Paper Mills Limited
NAME OF THE PETITIONER(S)	Rama Road Lines
NAME OF THE RESPONDENTS(S)	Sirpur Paper Mills Limited
UNDER SECTION	9 of IBC

Counsel for Petitioner(s):

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

Counsel for Respondent(s):

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

ORDER

IA No.03/2019

1. Matter taken up for pronouncement of Orders in IA No.03/2019 in CP(IB)No.52/9/HDB/2017 through Video Conference in view of Notice of the Headquarters dated 17.04.2020 read with Notice dated 03.05.2020.
2. Member Judicial and Member Technical are connected through video conference.
3. Mr. Vijayanth Paliwal, counsel for Resolution Applicant, Mr. Kameshwar Rao, counsel for Respondent and Mr.V.K.Sajith, counsel for RP appeared through video conference.
4. Orders pronounced vide separate order. IA No.03/2019 in CP(IB)No.52/9/HDB/2017 is disposed of.

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IA No.47 & 48/2019

1. Matter taken up for pronouncement of Orders in IA Nos.47 & 48/2019 in CP(IB)No.52/9/HDB/2017 through Video Conference in view of Notice of the Headquarters dated 17.04.2020 read with Notice dated 03.05.2020.
2. Member Judicial and Member Technical are connected through video conference.
3. Mr. Kameshwar Rao, counsel for Applicant, Mr.V.K.Sajith, counsel for RP and Mr. Vijayanth Paliwal, counsel for Resolution Applicant appeared through video conference.
4. Orders pronounced vide separate order. IA Nos.47 & 48/2019 in CP(IB)No.52/9/HDB/2017 is disposed of.

MEMBER TECHNICAL
(Through Video Conference)


MEMBER JUDICIAL

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD

IA No. 03/2019
In CP (IB) No. 52/9/HDB/2017

In the matter of:
M/s. Sirpur Paper Mills Limited

JK Paper Limited
Nehru House 3rd Floor, 4 Bahadur Shah Zafar Marg
New Delhi – 110002.

...Applicant

Versus

1. Veda Kumar Nimbagal
202, 15-31-M-33, Maruthi Mansion,
Dharma Reddy Colony, Kukatpally,
Ranga Reddy, Hyderabad – 500 085, TG.
2. Santosh Kumar Mantri
G-2, Plot No.77/78, Jogila Apartments,
Durga Vihar Colony, Gunrock Avenue,
Tirumalagiri, Secunderabad – 500 015.
3. Mukesh Sharma
195H, Garud Apartments,
Pocket IV, Mayur Vihar Phase-I,
New Delhi – 110091.
4. Sunita Rana
Flat No.133, Pocket I and II,
Secotr-3, SFS DDA Flats,
Dwarka, New Delhi – 110 075.
5. Mahesh Birla,
Erstwhile Sr.Vice President of the Sirpur Paper Mills Ltd.
Raider House, 4th Floor, Plot No.136,
Sector 44, Gurgaon – 122003.
6. Ram Ratan Kanoongo, Resolution Professional
M/s. Sirpur Paper Mills Ltd.
Headway Resolution and Insolvency Services Pvt Ltd.,
1006, raheja Centre, 10th Floor,
Nariman Point, Mumbai – 400 021.

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...Respondents
Order pronounced on: 04.08.2020.

Coram: K. Anantha Padmanabha Swamy, Member Judicial
Dr. Binod Kumar Sinha, Member Technical

Parties/ Counsels Present:-

For the Applicant : Mr. Vijayant Paliwal, Ms. Charu Bansal,
Ms. Rubaina S Khatoon and Mr. L. Aravind
Reddy, counsels.

For the Respondents : Mr. Mr. CH. Kameshwar Rao and
Mr. Ch. Ramesh, counsels for R1.
Mr. V. Ravi Kumar, counsel for R6

Per: Dr. Binod Kumar Sinha, Member Technical

ORDER

1. The instant Application is filed by the Successful Resolution Applicant, *inter-alia*, seeking to initiate contempt proceedings against R1 to R5 as contemplated under Sec. 425 of Companies Act and to direct the Respondent Nos. R1 to R4 to comply with the directions of this Adjudicating Authority issued vide orders dated 19.12.2018.
2. Brief facts of the present Application are as under:-
 - a. The Applicant herein is the Successful Resolution Applicant in the CIRP of Sirpur Paper Mills Limited (Corporate Debtor). The CIRP of the Corporate Debtor was initiated vide order of this Adjudicating

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Authority dated 18.09.2017. Pursuant to the initiation of the CIRP, the Applicant herein submitted a Resolution Plan to the Committee of Creditors of the Corporate Debtor and the said plan was duly accepted and approved. The said Resolution Plan was thereafter presented before this Adjudicating Authority and was duly approved vide order dated 19.07.2018.

- b. That pursuant to the approval of the Resolution Plan by this Adjudicating Authority, the RP and the Applicant started implementation of the Resolution Plan and the Applicant has achieved substantial progress in this regard.
- c. That the Respondent Nos.R1 to R5 caused hindrance against the implementation of the Resolution Plan by refusing to co-operate in finalising and signing of the Financial Statements for the past years. Accordingly, the Applicant was constrained to move the Application bearing No.662/2018 seeking appropriate directions against the Respondent Nos. R1 to R5 to co-operate in approving and signing the Financial Statements starting from the Financial Year 2014 – 15 till 19.07.2018.
- d. The said Application No.662/2018 was disposed of vide order dated 19.12.2018, wherein necessary directions were given to erstwhile Board of Directors to co-operate by approving and signing the Financial Statements and other related documents of the Corporate Debtor on or before 26.12.2018.

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- e. That pursuant to the orders of this Adjudicating Authority the Applicant vide email dated 20.12.2018 again called upon the erstwhile Board of Directors to co-operate and accordingly they were informed that the Annual General Meeting of the Corporate Debtor is scheduled to be held on 29.12.2018.
- f. That in response, the Applicant has received email communications from Respondent Nos.R1 to R4 stating that the order dated 19.12.2018 does not deal with certain objections which were raised by them to the Applicant before filing of the Application No.662/2018. The Respondent Nos. R2 to R4's primary contention for refusing to sign the account statements was that they were not competent to sign the financial statements as they were not the Directors of the Corporate Debtor anymore. In addition to the above, Respondent No.1 also contended that the order does not address the issues regarding payment of his past pending dues. On these grounds Respondent Nos. R1 to R4, in blatant disregard to the orders of this Adjudicating Authority dated 19.12.2018 and to their own undertaking before this Adjudicating Authority, had refused to approve or sign the Financial Statements of the Corporate Debtor.
- g. That the erstwhile Board of Directors did not raise any objection to the Application No.662/2018 before this Adjudicating Authority despite the fact that the same was listed for hearing on 06.12.2018, 11.12.2018, 14.12.2018 and was thereafter finally disposed of on

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19.12.2018. In fact, the Counsel appearing on behalf of Respondent No.2 submitted during the hearing in IA No.662/2018 that the Respondent No.2 shall co-operate and sign all documents. This statement is accordingly recorded in the order dated 19.12.2018.

- h. That a notice was also sent to the erstwhile Board of Directors on 24.12.2018 through the Counsel of the Applicant citing the order dated 19.12.2018 and calling upon the erstwhile Board of Directors to cooperate in preparation, approval and signing of the Financial Statements starting from the Financial Years 2014-15 upto 19.07.2018.

Reiterating above, Ld. Counsel for the Applicant prayed to allow the Application as prayed for.

3. Heard and perused the record.
4. The present Application is filed by RP seeking to initiate contempt proceedings against Respondents, for non-compliance of the order of this Adjudicating Authority in Application No.662/2018 dated 19.12.2018 wherein, directions were given to erstwhile Board of Directors to co-operate by approving and signing the Financial Statement and other related documents of the Corporate Debtor on or before 26.12.2018.
5. However, pursuant to such directions, as there was no co-operation from the erstwhile Board of Directors, the Applicant has moved the instant Application seeking to initiate contempt against the Respondents herein.

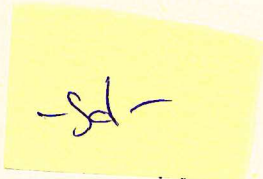
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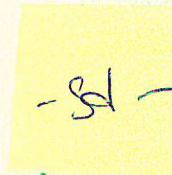
6. It is pertinent to note that, the Applicant herein had moved another Application bearing IA No.4/2019 wherein this Adjudicating Authority vide its order dated 11.01.2019 recorded as under:-

“Counsel for the Applicant filed a memo dated 11.01.2019 stating that as per Orders of this Bench, the Financial Statements and other relevant documents were approved and signed by the Erstwhile Board of Directors i.e., Respondent No.2 to 4 on 09.01.2019”.

7. Considering the Order dated 11.01.2019 *supra*, the purpose of Application bearing IA No.662/2018 was achieved. Therefore, this Adjudicating Authority finds no merit in further adjudicating upon the instant Application bearing IA No.03 of 2019 and same stands closed and disposed of.



Dr. BINOD KUMAR SINHA
MEMBER TECHNICAL



K.ANANTHA PADMANABHA SWAMY
MEMBER JUDICIAL

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD

IA No.47/2019
In
IA No.315, 534 & 662/2018
In
CP(IB)No.52/9/HDB/2017

In the matter of:
M/s. Sirpur Paper Mills Limited

Between:

Mr.Veda Kumar Nimbagal
Whole-time Director of
M/s. Sirpur Paper Mills Limited
#202, 15-31-M-33, Maruthi Mansion,
Dharam Reddy Colony, Kukatpalli,
Hyderabad – 500 085,
Telangana.

...Petitioner/
Applicant

And

Mr.Ram Ratan Kanoongo,
Resolution Professional of
M/s. Sirpur Paper Mills Limited
Headway Resolution and Insolvency
Services Pvt Ltd, 1006, Raheja Center,
10th Floor, Nariman Point,
Mumbai – 400 021.

...Respondent/RP

IA No.48/2019
In
IA No.3&4/2019
In
CP(IB)No.52/9/HDB/2017

Between:

JK Paper Limited

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Nehru House 3rd Floor, 4 Bahadur Shah Zafar Marg
New Delhi – 110002

...Applicant

And

Mr. Veda Kumar Nimbagal
Whole-time Director of
M/s. Sirpur Paper Mills Limited
#202, 15-31-M-33, Maruthi Mansion,
Dharam Reddy Colony, Kukatpalli,
Hyderabad – 500 085,
Telangana & Ors.

...Respondents

Order pronounced on: 04.08.2020

**Coram: K. Anantha Padmanabha Swamy, Member Judicial
Dr. Binod Kumar Sinha, Member Technical**

Parties/ Counsels Present:-

For the Applicant in IA No.47 /2019 : Mr. CH. Kameshwar Rao and
Mr. Ch. Ramesh, counsels.

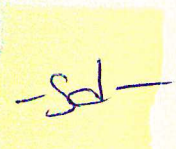
For the Applicant in IA No.48/2019 : Mr. CH. Kameshwar Rao

For the Respondent in IA No.47/2019 : Mr. V. Ravi Kumar, counsel.

For the Respondent in IA No.48/2019 : Mr.V.Ravi Kumar, counsel for RP
Ms. Rubaina S Khatoon, Mr.
K.V. Rusheek Reddy, Mr. L.
Arvind Reddy and Mr. Jasveen
Kaur, counsels

Per: K. Anantha Padmanabha Swamy, Member Judicial

COMMON ORDER



1. The present Applications bearing IA No. 47/2019 & IA No.48/2019 in CP (IB) No. 52/9/HDB/2018 are filed under section 60(5) of the IB Code, 2016, by Mr. Veda Kumar Nimbagal, erstwhile whole time Director of the Corporate Debtor against the RP i.e., Mr. Ram Ratan Kanoongo on similar set of facts, seeking same reliefs, therefore, both the Applications are disposed by way of this common order.
2. Application bearing IA No. 47 of 2019 is filed seeking following prayers:
 - a. To release the salary and outstanding dues of the Petitioner/Applicant as per the statement annexed to by the Petitioner/Applicant and also to bear the incidental expenses to attend and sign the financial statements;
 - b. To pass orders that there should not be violation as per Companies Act, 2013;
 - c. To pass orders that Company Law Board should not take any action against the Petitioner/Applicant; and
 - d. Pass such other order or orders as this Tribunal may deem fit and proper in the circumstances of the case and also in the interest of justice.
3. Application bearing IA No. 48 of 2019 is filed seeking following prayers:
 - a. To direct the RP to pay the outstanding salary and other dues as per the statement enclosed to the Respondent No.1 to enable him to sign

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the financial statements for the years 2014-15 to 2017-18 i.e., upto 19.07.2018.

- b. To pass orders that there should not be any violation of Companies Act, 2013; and
- c. To pass orders that Company Law Board/Ministry of Corporate Affairs should not take any action against the Respondent No.1(Applicant herein).

4. Brief facts of both the Applications inter-alia are as under:-

- a. That Applicant is the erstwhile Director of the Corporate Debtor who also enlarged his services during CIRP period.
- b. That the Resolution Professional and Member of Monitoring Committee of M/s. Sirpur Paper Mills Limited moved an Application bearing IA No.662/2018, alleging that the Applicant is not co-operating for signing the Financial Statements for the years 2014-15 to 2017-18 (upto 19.07.2018). In the said Applications, the Applicant herein has filed his counter.
- c. That in the said Applications, the Applicant prayed that he is not the Executive Director of the company as on date and not legally fit to sign the Annual Accounts as an Executive Director under the Companies Act, 2013. If the Adjudicating Authority found that the Applicant is legally fit to sign the Annual accounts along with related reports, then Applicant is ready to sign the financial statements provided his outstanding salary with full and final

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account and necessary incidental expenses should be paid to him to attend the meeting to sign the Annual Accounts and related reports.

d. That the Applicant has raised a claim of Rs. 20,38,300/- as due and payable by the Corporate Debtor.

e. Reiterating above, counsel for the Applicant prayed to allow the Applications as prayed for.

5. Counsel for Respondent No.1/RP filed its counter, *inter-alia*, stating that the Applications may be dismissed with a direction to release the salary as per statement annexed to the reply of the RP and also to give a direction to the Applicant to bear the incidental expenses and to pass such other order or orders as this Adjudicating Authority may deem fit and proper in the circumstances of the case and also in the interest of justice.

6. Heard both the sides and perused the record.

7. The Applicant in the instant Applications is, *inter-alia*, seeking for direction against the RP for release of salaries and other amounts due and payable to him by the Corporate Debtor.

8. On perusal of counter-affidavit along with material papers, it is seen that the RP has acknowledged that certain amounts are due and payable to the Applicant herein. It is further observed that the RP has agreed for releasing salaries as per statement enclosed to the reply.

9. Considering the submissions, this Adjudicating Authority is of the view that any payments to be made to the Applicant herein shall be made in


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accordance with the provisions of IB Code, 2016 and Regulations thereunder. Accordingly, this Adjudicating Authority hereby directs the RP to make payment of the salary to the Applicant as per amount acknowledged by him and as per the provisions of IB Code, 2016 and Regulations thereunder.

10. Accordingly, IA Nos. 47/2019 and 48/2019 stand disposed of.



Dr. Binod Kumar Sinha
Member Technical



K. Anantha Padmanabha Swamy
Member Judicial

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD

IA No. 03/2019
In CP (IB) No. 52/9/HDB/2017

In the matter of:
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JK Paper Limited
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...Applicant

Versus

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Flat No.133, Pocket I and II,
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...Respondents
Order pronounced on: 04.08.2020.

Coram: K. Anantha Padmanabha Swamy, Member Judicial
Dr. Binod Kumar Sinha, Member Technical

Parties/ Counsels Present:-

For the Applicant : Mr. Vijayant Paliwal, Ms. Charu Bansal,
Ms. Rubaina S Khatoon and Mr. L. Aravind
Reddy, counsels.

For the Respondents : Mr. Mr. CH. Kameshwar Rao and
Mr. Ch. Ramesh, counsels for R1.
Mr. V. Ravi Kumar, counsel for R6

Per: Dr. Binod Kumar Sinha, Member Technical

ORDER

1. The instant Application is filed by the Successful Resolution Applicant, *inter-alia*, seeking to initiate contempt proceedings against R1 to R5 as contemplated under Sec. 425 of Companies Act and to direct the Respondent Nos. R1 to R4 to comply with the directions of this Adjudicating Authority issued vide orders dated 19.12.2018.
2. Brief facts of the present Application are as under:-
 - a. The Applicant herein is the Successful Resolution Applicant in the CIRP of Sirpur Paper Mills Limited (Corporate Debtor). The CIRP of the Corporate Debtor was initiated vide order of this Adjudicating

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Authority dated 18.09.2017. Pursuant to the initiation of the CIRP, the Applicant herein submitted a Resolution Plan to the Committee of Creditors of the Corporate Debtor and the said plan was duly accepted and approved. The said Resolution Plan was thereafter presented before this Adjudicating Authority and was duly approved vide order dated 19.07.2018.

- b. That pursuant to the approval of the Resolution Plan by this Adjudicating Authority, the RP and the Applicant started implementation of the Resolution Plan and the Applicant has achieved substantial progress in this regard.
- c. That the Respondent Nos.R1 to R5 caused hindrance against the implementation of the Resolution Plan by refusing to co-operate in finalising and signing of the Financial Statements for the past years. Accordingly, the Applicant was constrained to move the Application bearing No.662/2018 seeking appropriate directions against the Respondent Nos. R1 to R5 to co-operate in approving and signing the Financial Statements starting from the Financial Year 2014 – 15 till 19.07.2018.
- d. The said Application No.662/2018 was disposed of vide order dated 19.12.2018, wherein necessary directions were given to erstwhile Board of Directors to co-operate by approving and signing the Financial Statements and other related documents of the Corporate Debtor on or before 26.12.2018.

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- f. That in response, the Applicant has received email communications from Respondent Nos.R1 to R4 stating that the order dated 19.12.2018 does not deal with certain objections which were raised by them to the Applicant before filing of the Application No.662/2018. The Respondent Nos. R2 to R4's primary contention for refusing to sign the account statements was that they were not competent to sign the financial statements as they were not the Directors of the Corporate Debtor anymore. In addition to the above, Respondent No.1 also contended that the order does not address the issues regarding payment of his past pending dues. On these grounds Respondent Nos. R1 to R4, in blatant disregard to the orders of this Adjudicating Authority dated 19.12.2018 and to their own undertaking before this Adjudicating Authority, had refused to approve or sign the Financial Statements of the Corporate Debtor.
- g. That the erstwhile Board of Directors did not raise any objection to the Application No.662/2018 before this Adjudicating Authority despite the fact that the same was listed for hearing on 06.12.2018, 11.12.2018, 14.12.2018 and was thereafter finally disposed of on

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19.12.2018. In fact, the Counsel appearing on behalf of Respondent No.2 submitted during the hearing in IA No.662/2018 that the Respondent No.2 shall co-operate and sign all documents. This statement is accordingly recorded in the order dated 19.12.2018.

- h. That a notice was also sent to the erstwhile Board of Directors on 24.12.2018 through the Counsel of the Applicant citing the order dated 19.12.2018 and calling upon the erstwhile Board of Directors to cooperate in preparation, approval and signing of the Financial Statements starting from the Financial Years 2014-15 upto 19.07.2018.

Reiterating above, Ld. Counsel for the Applicant prayed to allow the Application as prayed for.

3. Heard and perused the record.
4. The present Application is filed by RP seeking to initiate contempt proceedings against Respondents, for non-compliance of the order of this Adjudicating Authority in Application No.662/2018 dated 19.12.2018 wherein, directions were given to erstwhile Board of Directors to co-operate by approving and signing the Financial Statement and other related documents of the Corporate Debtor on or before 26.12.2018.
5. However, pursuant to such directions, as there was no co-operation from the erstwhile Board of Directors, the Applicant has moved the instant Application seeking to initiate contempt against the Respondents herein.

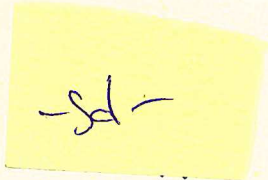
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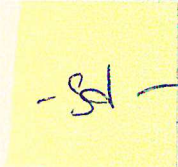
6. It is pertinent to note that, the Applicant herein had moved another Application bearing IA No.4/2019 wherein this Adjudicating Authority vide its order dated 11.01.2019 recorded as under:-

“Counsel for the Applicant filed a memo dated 11.01.2019 stating that as per Orders of this Bench, the Financial Statements and other relevant documents were approved and signed by the Erstwhile Board of Directors i.e., Respondent No.2 to 4 on 09.01.2019”.

7. Considering the Order dated 11.01.2019 *supra*, the purpose of Application bearing IA No.662/2018 was achieved. Therefore, this Adjudicating Authority finds no merit in further adjudicating upon the instant Application bearing IA No.03 of 2019 and same stands closed and disposed of.



Dr. BINOD KUMAR SINHA
MEMBER TECHNICAL



K. ANANTHA PADMANABHA SWAMY
MEMBER JUDICIAL