

**NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH – II  
CHENNAI**

**ATTENDANCE CUM ORDER SHEET OF THE HEARING OF CHENNAI BENCH, CHENNAI  
NATIONAL COMPANY LAW TRIBUNAL, HELD ON 27-05-2022 AT 10.30 A.M THROUGH  
VIDEO CONFERENCING:**

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**PRESENT: JUSTICE (RETD.) SMT. S. RAMATHILAGAM, MEMBER (JUDICIAL)  
SHRI B. ANIL KUMAR, MEMBER (TECHNICAL)**

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**IN THE MATTER OF : New Chennai Township**

**PETITION NUMBER : CP/636/IB/2017**

**APPLICATION NUMBER : [4]** (a)IA(IBC)/530/CHE/2022  
(b)IA(IBC)/424/CHE/2022  
(c)IA(IBC)/425/CHE/2022  
(d)IA/261/IB/2020  
(e)IA/350/IB/2020  
(f)IA/1131/IB/2020  
(g)IA/1132/IB/2020  
(h)IA/1133/IB/2020  
(i)IA/1134/IB/2020  
(j)IA/1135/IB/2020  
(k)IA/1136/IB/2020  
(l)IA/1137/IB/2020  
(m)IA/1138/IB/2020  
(n)IA/1139/IB/2020  
(o)IA/1253/IB/2020  
(p)IA/147(CHE)/2021  
(q)IA/153(CHE)/2021  
(r)IA(IBC)/897(CHE)2021  
(s)IA(IBC)/912(CHE)2021  
(t)IA/1334/IB/2020  
(u)IA(IBC)/342/CHE/2022  
(v)IA(IBC)/332/CHE/2022  
(w)IA(IBC)/331/CHE/2022  
(x)IA(IBC)/365(CHE)2022 in IA/1334/2020

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**IN THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH-I, CHENNAI**

**IA(IBC)/530(CHE)2022 in CP/636/IB/2017**

*(filed under Section 12A of the Insolvency & Bankruptcy Code, 2016 r/w  
Regulation 30A of IBBI (Insolvency Resolution Process of Corporate  
Persons) Regulations, 2016)*

In the matter of ***New Chennai Township Private Limited***

**L.K. Sivaramakrishnan,**  
Resolution Professional of  
M/s. New Chennai Township Private Limited,  
"Rajparis Trimeni Towers", First Floor,  
147, GN Chetty Road, Chennai – 600 017

*...Applicant*

*Order delivered on 27<sup>th</sup> May 2022*

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**Justice (Retd.) S. RAMATHILAGAM, MEMBER (JUDICIAL)  
ANIL KUMAR B, MEMBER (TECHNICAL)**

*For Petitioner : V.V. Shivakumar, Advocate*

*For Promoters : B. Ramana Kumar, Advocate  
Harish Kumar, Advocate*

**ORDER**

The present Application is filed by the Resolution Professional of the Corporate Debtor viz. New Chennai Township Private Limited under Section 12A of Insolvency and Bankruptcy Code, 2016 read with Regulation 30A of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 seeking relief as follows;

- (a) Pass an order allowing the present application filed under Section 12A of the of the Insolvency and Bankruptcy Code, 2016 read, with Regulation 30 A of IBBI (Insolvency

Resolution Process for Corporate Persons) Regulation, 2016 and permit the Applicant to withdraw the Corporate Insolvency Resolution Process of the Corporate Debtor namely New Chennai Township Private Limited in the instant CP/636/(IB)/2017; and

- (b) Pass any other order that this Hon'ble Tribunal may deem fit in the facts and circumstances of this case and in the interest of justice.

2. In an Application filed under Section 7 of the Insolvency & Bankruptcy Code, 2016, filed by the Financial Creditor against the Corporate Debtor, this Tribunal vide Order dated 05.07.2019 initiated Corporate Insolvency Resolution Process as against the Corporate Debtor and appointed the Applicant herein as the Interim Resolution Professional. Thereafter, it is seen that the said IRP has made a public announcement in "Dinamani" and Times of India" newspapers on 06.07.2019 and 09.07.2019 respectively in Form 'A' informing the Creditors of the Corporate Debtor about the commencement of the CIRP and requesting them to file their claims, if any.

3. It was submitted that a claim from Phoenix ARC Limited for an amount of Rs.532,17,69,780/-was received. After inviting claims, considering them, and collating them, the Applicant constituted the Committee of Creditors of the Corporate Debtor in accordance with the provisions of Section 21(1) of the IBC, 2016 read with Regulation 17 (1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. It was

submitted that the Applicant had received and admitted 6 claims from the Financial Creditors and 4 claims from Operational Creditors.

The composition of the CoC was as below;

<b>S. No.</b>	<b>NAME OF FINANCIAL CREDITOR</b>	<b>VERIFIED CLAIM AMOUNT (₹ IN CRORE)</b>	<b>VOTING %</b>
1	Phoenix ARC Pvt. Ltd.	532.18	40.79
2	Edelweiss Asset Reconstruction Company Ltd.	527.88	40.46
3	Corporation Bank (Now "Union Bank of India")	61.43	4.71
4	Dena Bank (Now "Bank of Baroda")	50.81	3.89
5	Home Buyers	80.82	6.19
6	SREI Equipment Finance Ltd.	51.71	3.96

4. It was submitted that the Applicant's appointment as the Resolution Professional was confirmed by the CoC with a voting share of 100%, in accordance with Section 22 of the IBC in its first meeting held on 15.10.2019. It was submitted that pursuant to the provisions of Regulations 27 and 35 of the CIRP Regulations, the Applicant appointed two registered valuers for each of the classes viz. Land and Building, Plant and machinery and Securities/Financial assets for arriving at the fair and liquidation value of the assets of the Corporate Debtor.

5. Thereafter, it is seen that the Applicant has published Form – G in accordance with Regulation 36 of the CIRP Regulations on three occasions on 05.12.2019, 06.01.2020 and 21.02.2020 and no

concrete proposal was received by the Applicant. It is seen that in the 6<sup>th</sup> CoC meeting held on 20.03.2020, the CoC has decided not to re-issue the Expression of Interest and decided to liquidate the Corporate Debtor and accordingly an agenda was placed and the CoC with 93.81% voting has also passed a Resolution for Liquidation of the Corporate Debtor. Only the Home buyers with 6.19% has voted against the Liquidation of the Corporate Debtor. Consequent to the same, it is seen that the Applicant has filed IA/1334/IB/2020 before this Tribunal in terms of Section 33 of IBC, 2016 seeking liquidation of the Corporate Debtor.

6. In the meantime, it was submitted that the Applicant has received Expression of Interest from three different parties and the same was placed before the CoC for its consideration and the said Resolution Applicants submitted their proposal along with requisite KYC documents and EMDs with the Applicant. It was submitted that based on the decision of the CoC, the Applicant invited the final proposal from the prospective Resolution Applicants on 28.03.2022.

7. While this being so, it was submitted that the Guarantor of the Corporate Debtor Mr. Gorrepati R Reddy vide letter dated 03.02.2022 submitted a proposal under Section 12A of IBC, 2016 and sought withdrawal of the CIRP of the Corporate Debtor and subsequently he has also filed IA(IBC)/331(CHE)/2022 before this

Tribunal and this Tribunal vide its order dated 01.04.2022 and 22.04.2022 directed the CoC to consider and cast its vote on the proposal of the said Guarantor within a period of 20 days.

8. It was submitted that pursuant to the aforesaid meeting of the CoC, the settlement proposal of the Guarantor dated 09.05.2022 under Section 12A of IBC, 2016 was deliberated upon by the CoC. The Applicant submitted that the said Guarantor in line with Section 12A of IBC, 2016 has deposited a sum of Rs.38,01,03,910/- with the Applicant and the said amount is kept in an Escrow Account maintained with Union Bank of India.

9. The Applicant submitted that the CoC has agreed to consent to the withdrawal of the CIRP on the condition that immediately after the withdrawal of the CIRP the said guarantor shall ensure the aspects that are highlighted in various clauses in the Section 12A proposal dated 12.05.2022. It was submitted that the CoC has approved the Section 12A proposal which provides for obligation on the part of the Lenders and Guarantors. The following are the extracts of Section 12A proposal dated 09.05.2022;

"All the lenders of NCTPL are required to perform following action(s) after the settlement of their dues:

All the above payments being made by us prior to NCLT order may be appropriated by the COC members. If we fail to pay the balance in a stipulated time (including extended period of time if any permitted) the same may be forfeited. However, if the NCLT approval for 12 A schemes is not achieved as per the plan

then such amount paid under this 12A proposal should be returned back to Promoter / Guarantor/Investor without any recourse of any liability thereupon on the funding provided as above. The above settlement is including towards discharges of all Securities, Lien, Guarantees, Pledge and Charges held by Creditors.

1. Release charge on all the securities including arbitration claims and receivables, ROC and SRO charges.

2. Give no due certificate to the company.

3. Withdraw all legal cases filed in Debts Recovery Tribunal under Recovery of Debts Due to Banks and Financial Institutions Act, 1993, Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016, against the company and/or directors/promoters.

4. Release of all pledged shares and all corporate guarantee / all personal guarantees.

5. Upon Closure of entire exposure, lenders to take steps to remove company's name from the list of defaulters maintained by CIBIL

6. ROC filing to be arranged after the settlement. Attached as Annexure-V."

10. It was submitted that the Committee of Creditors has recorded detailed reasons justifying withdrawal as a viable option since the said 12A Proposal would be advantageous to all the stakeholders; more so, in light of the said Guarantor making effort to settle the claims of the Creditors (and especially the Homebuyers) which would be a better deal than what the creditors would get if the Corporate Debtor went for liquidation and, its revival will benefit all concerned. The Corporate Debtor has been functioning as a going concern even during the CIRP period and will be able to meet its liabilities even after the insolvency process is withdrawn.

11. Further, it was submitted that at the 19<sup>th</sup> CoC meeting held on 09.05.2022, the CoC has approved the filing of a petition withdrawing CIRP and the following Resolution was passed with a voting share of 92.55%;

"RESOLVED THAT pursuant to the order of Hon'ble National Company Law Tribunal dated 22.04.2022, the application in "Form FA" submitted by the applicant (M/s. Phoenix ARC P Ltd) seeking withdrawal of the Corporate Insolvency Resolution Process in respect of the Corporate Debtor, based on the Section 12A proposal submitted by the Mr. GRK Reddy dated 03<sup>rd</sup> May 2022. The same is considered and voted in favour of the proposal by the Committee of Creditors of the Corporate Debtor and accepting the withdrawal of the application filed by the applicant (M/s. Phoenix ARC P Ltd)."

12. It was submitted that M/s. Phoenix ARC Limited has submitted Form FA to the Applicant to file the Application with this Tribunal to withdraw the CIRP of the Corporate Debtor pursuant to the provisions of Section 12A of IBC, 2016 read with Regulation 30A of the CIRP Regulations. The Form FA dated 05.05.2022, is annexed as Annexure No. 17. It was further submitted that the said Guarantor has also deposited the CIRP cost of Rs.2,79,30,910/- with the Applicant and that it was submitted that the CIRP Cost outstanding as on 12.05.2022 is Rs.2,79,30,910/- (including provision for salary and professional fee for the month of May 2022).

13. The Applicant has also brought to our knowledge that the following IA's are pending before this Adjudicating Authority in

respect of the Corporate Debtor viz. New Chennai Township Private Limited in CP/636/IB/2017;

<b>S. No.</b>	<b>APPLICATION NO.</b>	<b>SECTION</b>
1	IA/261/IB/2020	19(2)
2	IA/1131/IB/2020	66
3	IA/1132/IB/2020	66
4	IA/1133/IB/2020	66
5	IA/1134/IB/2020	66
6	IA/1135/IB/2020	66
7	IA/1136/IB/2020	66
8	IA/1137/IB/2020	66
9	IA/1138/IB/2020	66
10	IA/1139/IB/2020	66
11	IA/1253/IB/2020	66
12	IA/147/IB/2020	60(5)
13	IA/153/2021	24(3) & 60(5)
14	IA/1334/IB/2020	33
15	IA/350/IB/2020	14
16	IA(IBC)/912/2021	66
17	IA(IBC)/897/2021	66
18	IA(IBC)/342/2022	60(5)
19	IA(IBC)/332/2022	12A and 60(5)
20	IA(IBC)/331/2022	60(5)
21	IA(IBC)/365/2022	60(5)
22	IA(IBC)/424/2022	60(5)
23	IA(IBC)/425/2022	60(5)

14. We have heard the submissions made by the Learned Counsel for the RP and also perused the minutes of the 19<sup>th</sup> CoC meeting held on 09.05.2022 wherein the CoC has Resolved for withdrawal of CIRP in respect of the Corporate Debtor. The summary of the voting Resolution of the CoC is captured hereunder;

Summary of the Voting Results of the Committee of Creditors:

S.No.	Financial Creditors	Voting Share	Voted for	Voted Against	Abstained	Remarks
1	Phoenix ARC Private Limited Trustee of Phoenix Trust	40.79%	40.79%	-	-	
2	Edelweiss Asset Reconstruction Company Limited	40.46%	40.45%	-	-	
3	Corporation Bank (now "Union Bank of India")	4.71%	-	-	-	Union Bank of India requested for additional time for voting
4	SREI Equipment Finance Limited	3.96%	3.96%	-	-	
5	Dena Bank (Now Bank of Baroda)	3.89%	3.89%	-	-	
6	Home Buyers	6.19%	3.45%	2.63%	0.11%	
	<b>Total</b>	<b>100.00%</b>	<b>92.55%</b>	<b>2.63%</b>	<b>0.11%</b>	
	<b>Required for Approval of Section 12A proposal</b>	<b>90%</b>				

15. From the above table, it is seen that the proposal of the guarantor under Section 12A of IBC, 2016 has garnered 92.55% voting from the CoC members and as such it crosses the minimum threshold limit of 90% prescribed under Section 12A of IBC, 2016. Further, from perusal of Form – FA it is seen that the Petitioning Creditor has given his consent for withdrawal of CIRP in respect of the Corporate Debtor. It is also seen that the CIRP cost has also been paid by the guarantor and the Applicant has also acknowledged the same in the averments made in the Application.

16. Taking into consideration the said submissions made by the Learned Counsel for the Applicant as well as the averments contained in the Application and also based on the resolution passed

by the CoC for the withdrawal of the CIRP in relation to the Corporate Debtor and also in view of the fact that the fees of the RP has been paid in full, this instant Application stands **allowed** and in the circumstances, CP/636/IB/2017 stands **withdrawn**. Consequently, the CIRP initiated against the Corporate Debtor also stands **withdrawn**. The RP / Applicant is directed to hand over the management to the Board of Directors whose powers stood suspended by virtue of the initiation of the CIRP by this Tribunal while admitting the Petition in CP/636/IB/2017 and whose powers stand restored consequent to the withdrawal of CIRP in relation to the Corporate Debtor. Accordingly, IA(IBC)/530(CHE)/2022 stands **allowed**. All the IA's as extracted in the table *supra* at para 13 of this order also stands **closed**.

-Sd-  
**B. ANIL KUMAR**  
MEMBER (TECHNICAL)

-Sd-  
**Justice (Retd.) S. RAMATHILAGAM**  
MEMBER (JUDICIAL)

*Raymond*