206452 VISHWANATH K S <vishwanathks@mail.ca.in>

order copy dated on 25.08.2025

1 message

Deputy Registrar NCLT Bengaluru <registrar-blr@nclt.gov.in> Thu, Nov 6, 2025 at 1:01 PM
To: vishwanathks <vishwanathks@mail.ca.in>

sir,
I am forwording herewith the order copy of IA (Liq)02/2025 in CP(IB) 69/2025

IA (LIQ) 05-2025 CP IB 69-BB-2022.pdf
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IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH, BENGALURU
[Through Physical hearing/VC Mode (Hybrid)]

ITEM No.13
I.A. Nos.739/2024 &
96/2025, IA (IBC) (Liq.) 02/2025 in
C. P. (IB) No. 69/BB/2022

IN THE MATTER OF:

The Canara Bank Ltd. ... Petitioner
Vs.
Shree Shanmuga Modern Rice Mills Pvt. Ltd. ... Respondent

Order under Section 7 of I & B Code, 2016

Order delivered on: 25.08.2025

CORAM:

SHRI. SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI. RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the RP : Shri Hemanth Rao

ORDER

IA (IBC) (Liq.) 02/2025

The application for liquidation of Corporate Debtor is **allowed** vide separate order.

List the case on 27.10.2025.

-Sd-	**-Sd-**
RADHAKRISHNA SREEPADA	**SUNIL KUMAR AGGARWAL**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

BL

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
(Exercising powers of Adjudicating Authority under
The Insolvency and Bankruptcy Code, 2016)

I.A. No. (Liq.)02/2025 in **C.P. (IB) No. 69/BB/2022**
U/s. 33(2) of the Insolvency and Bankruptcy Code, 2016
read with Rule 11 of the NCLT Rules, 2016

In the matter of :

M/s. Sree Sanmuga Modern Rice Mills Pvt. Ltd.
through its Resolution Professional of
Mr. Kanekal Chandrashekhar

R/o. No.6, Shree, 9th Cross,
Bhuvaneshwari Nagar, Hebbal Kempapura,
H.A. Farm Post, Bengaluru – 560 024 …. Applicant

In the decided matter of:
The Canara Bank Limited … Petitioner/Financial Creditor

Versus

M/s. Sree Shanmuga Modern Rice Mills Pvt. Ltd. … Respondent/Corporate Debtor

Order Delivered on: 25/08/2025

Coram: 1. Hon'ble Shri Sunil Kumar Aggarwal, Member (Judicial)
2. Hon'ble Shri Radhakrishna Sreepada, Member (Technical)

O R D E R

1. This Application has been filed on 08.01.2025 under section 33 (2) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 for following reliefs: -
   a) *Pass an order directing liquidation of the Corporate Debtor.*
   b) *Appoint Ms. Shirley Mathew as the Liquidator of the Corporate Debtor to conduct the liquidation process.*
2. Brief facts of the Application are given hereunder:
   a. The Company Petition bearing **C.P.(IB) No.69/BB/2022** filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 by "*Canara Bank Limited*" to

initiate Corporate Insolvency Resolution Process ('CIRP') against the Corporate Debtor was admitted on 17.03.2023 and Shri Kanekal Chandrasekhar was appointed as Interim Resolution Professional ("IRP") of the Corporate Debtor.

b. After receiving the Order of appointment of the Applicant as the IRP of the Corporate Debtor, the IRP had issued a Public Announcement in the newspapers in Form-A on 26.03.2024 as per Regulation 6 of the Insolvency Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016 (*for short - CIRP Regulations*) and the last date for submission of claims was 06.04.2023.

c. Pursuant to paper publication the IRP has received one claim of Canara Bank for a sum of Rs.81,02,05,624/- and after due verification, the Applicant constituted a Committee of Creditors consisting only of Canara Bank with 100% voting share.

d. The first meeting of the CoC was held on 21.04.2023, wherein the IRP was appointed as the Resolution Professional of the Corporate Debtor. Pursuant thereto, the Applicant filed I.A.No.545/2023 seeking his confirmation as the RP which was allowed vide Order dated 04.09.2023.

e. Subsequently, the RP has issued a public notice inviting Expression of Interest for the Corporate Debtor on 25.08.2024 with last date for submission of Expression of Interest being 09.09.2024. Pursuant thereto, the RP has received Expression of Interest from 6 entities, and all were declared Prospective Resolution Applicants by the RP who issued an Information Memorandum, detailed request for resolution plan and evaluation matrix was issued to all PRAs. However, only one PRA Mr. Nand Kishor Agarwal submitted a Resolution Plan along with refundable deposit. The plan was put to vote in the 13th CoC meeting held on 19.11.2024.

f. In the 13th CoC meeting, the CoC considered the resolution plan in detail and rejected the Plan in its commercial wisdom. There are no other plans to be considered and the CIRP was expiring on 07.12.2024. Hence, the RP has conducted 14th CoC meeting on 05.12.2024 for deciding the future course of action.

g. In the 14th CoC meeting, the RP proposed liquidation of the Corporate Debtor as there was no resolution plan pending for consideration and the CIRP period was expiring in two days. Pursuant thereto, the CoC has unanimously approved the resolution for liquidation of the Corporate Debtor. Further, the CoC has rejected the resolution for appointing the Applicant as a Liquidator but proposed ***Ms. Shirley Mathew*** as Liquidator for the Corporate Debtor.

h. Pertinently, the CoC has also approved the estimated Liquidation expenses of Rs.11,84,000/- in terms of Regulation 39B of CIRP Regulations. Further, the CoC has approved the resolution for examining the possibility of compromise/arrangement in terms of Regulation 39BA of CIRP Regulations but has rejected the resolution regarding sale of the Corporate Debtor as a going concern. The CoC has agreed to pay the Liquidator's fee as per the IBBI Liquidation Regulations, 2016.

i. In view of the above and considering that no resolution plan has been approved by the CoC, the Applicant prays for the liquidation of the Corporate Debtor under Section 33 of the IBC, 2016.

3. We have carefully considered the submissions made in the Application by the Resolution Professional and have also perused the material on record.

4. The relevant provisions of sub-sections (1) and (2) of Section 33 of the Code read as follows:

> "***33. Initiation of liquidation-***
> *(1) Where the Adjudicating Authority, —*
> *(a) 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*
> *(b) rejects the resolution plan under section 31 for the non-compliance of the requirements specified therein, it shall:*
> *(i) pass an order requiring the corporate debtor to be liquidated in the manner as laid down in this Chapter;*
> *(ii) issue a public announcement stating that the corporate debtor is in liquidation; and*
> *(iii) require such order to be sent to the authority with which the corporate debtor is registered.*

(2) Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of resolution plan, intimates the Adjudicating Authority of the decision of the committee of creditors to liquidate the corporate debtor, the Adjudicating Authority shall pass a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1).”

5. **Prescribed period for filing application**: In view of the facts above narrated, this Application is one under sub-section (2) of Section 33 of the Insolvency and Bankruptcy Code, 2016.

6. The CIRP Regulations 39B, 39C and 39D are examined hereunder.
   a. **Liquidation Cost [Regulation 39B]-** Pursuant to CIRP Regulation 39B the CoC in its 8th meeting held on 05.05.2025 approved the estimated Liquidation cost of Rs. 3,15,000/- (Rupees Three Lakhs Fifteen Thousand Only).
   b. **Scheme of Compromise or Arrangement [Regulation 39BA] & Assessment of Sale as a going concern [Regulation 39C] -** In this regard it was informed that since the CoC member had approved the resolution with respect to the liquidation of the Corporate Debtor, the discussions on Compromise or arrangement, sale of Corporate Debtor as a going concern or sale of business of the Corporate Debtor as a going concern were not relevant as the CD is inoperative. Accordingly, the resolutions on Regulations 39BA and 39C were not put up for voting.
   c. **Fees of the Liquidator [Regulations 39D]-** The fee of the liquidator shall be in accordance with CIRP Regulation 39D.

	Votes cast in favour	**Votes cast against**	**Abstained**
RESOLVED THAT, the Committee of Creditors hereby approves the fees of the liquidator (in case the corporate debtor goes into liquidation) as per regulation 39D of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and in accordance with any other provisions, rides and regulations made thereunder. *RESOLVED FURTHER THAT the Resolution Professional of M/s. Multi-verse Technologies Private Limited be and is hereby authorized to take such steps as may be necessary in relation to the above, if required and to settle all matters*	100%	-	-

arising out of and incidental thereto and sign and execute all documents and writings that may be required and generally to do all acts, deeds, make payments and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.			

7. In view of the satisfaction of the conditions provided under sub-section (2) of section 33 of the Code, the **Application is allowed and Corporate Debtor Sree Sanmuga Modern Rice Mills Pvt. Ltd. is directed to be liquidated** in the manner as laid down in Chapter III of the Code.

8. **Appointment of Liquidator:** It is submitted that the sole member of the CoC in the14th meeting of the CoC held on 05.12.2024 had rejected the Resolution for the appointment of Mr. *Mr. Kanekal Chandrashekhar*as as Liquidator of the Corporate Debtor with 100% of votes as per section 34 of the Insolvency and Bankruptcy Code and also did not propose any other insolvency professional to act as a Liquidator of the Corporate Debtor. No subsequent CoC resolution in this behalf has been brought to our notice even to show that matter of identifying Liquidator was placed for its consideration/approval. The Applicant/RP nevertheless has proposed Smt. Shirley Mathew as Liquidator by clandestinely couching the words in para 10 of application to give an impression that it has been approved by CoC which is ex-facie wrong. The CoC having not decided on the name, the RP could have independently suggested a Liquidator but he chose not to adopt that course. In this hazy background we hereby appoint of **Shri Vishwanath K.S.** with Registration No. **IBBI/IPA-001/IP-P-02861/2023-2024/14388** Email Id-vishwanathks@mail.ca.in and Phone No. **95389 74014** as the Liquidator of the Corporate Debtor. The Liquidator is directed to file his credentials, consent as well as valid copy of AFA within one week of the date of receipt of this order**.** The Liquidator shall be paid remuneration as per applicable IBBI Regulations.

9. It is hereby directed that: **-**
   i) As per Section 33 (5) of the Code and subject to Section 52 of the code, no suit or other legal proceedings shall be instituted against the corporate Debtor, except with the prior approval of the Adjudicating Authority;

ii) The provisions of sub-section (5) of Section 33 of the Code 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;

iii) This order of liquidation under Section 33 of the Code 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;

iv) 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 Liquidator;

v) The Erstwhile RP/Applicant is directed to handover the control/charge of the assets of Corporate Debtor along with records to the Liquidator expeditiously against acknowledgment from the date he takes over.

vi) The personnel of the Corporate Debtor shall extend all assistance and cooperation to the Liquidator as may be required by him in managing the affairs of the Corporate Debtor and provision of Section 19 of the Code shall apply in relation to voluntary liquidation process as they apply in relation to liquidation process with the substitution of references to the liquidator for references to the Interim Resolution Professional;

vii) The Liquidator shall publish public announcement in accordance with Regulation 12 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and in Form B of Schedule II of the said Regulations within five days of receipt of this order calling upon the stake holders to submit their claims as on liquidation commencement date and provide the last date for submission of claims which shall be 30 days from the liquidation commencement date.

viii) The Liquidator shall separately & individually intimate the concerned PF Department, Employee state Insurance Corporation, Income Tax Department, Inspector of Factories, GST/VAT authorities, Registrar of Companies, Karnataka and other relevant statutory authorities about the commencement of liquidation process of the Corporate Debtor and specify the date of intimation to abovementioned statutory authorities in the Form-H as mandated under

Regulation 45(3) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

ix) That the 'Liquidator' shall file his preliminary report within 75 days and to file regular progress reports as per Regulation 15 thereafter in accordance with Regulation 13 of the Insolvency and Bankruptcy Board of India (Liquidation Process), Regulations, 2016.

10. Copy of this order be supplied to the Liquidator as well as the Registrar of Companies, Bengaluru forthwith**. The Registry is also directed to send a copy of this order to the Liquidator at her e-mail address**.

-Sd-	**-Sd-**
(RADHAKRISHNA SREEPADA)	**(SUNIL KUMAR AGGARWAL)**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**