IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT– I) CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **13.12.2024** THROUGH VIDEO CONFERENCE

PRESENT: HON'BLE SHRI SANJIV JAIN, MEMBER (JUDICIAL)
HON'BLE SHRI VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

IN THE MATTER OF : E Pearson & Co. Ltd.
Vs
Sheba Marine Engineering Pvt Ltd

MAIN PETITION NUMBER : CP(IB)/61(CHE)/2023

(IA/MA) APPLICATION NUMBERS

IA(LIQ)/35(CHE)/2024

ORDER

Present: Ms. Lilly Francis, Ld. Counsel for Applicant.

Vide separate order pronounced in Open Court, the Application is allowed. Mr. Prakul Thadi is appointed as Liquidator.

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[VENKATARAMAN SUBRAMANIAM]
MEMBER (TECHNICAL)

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[SANJIV JAIN]
MEMBER (JUDICIAL)

MS

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH – I, CHENNAI

IA(IBC)(LIQ)/35/CHE/2024 in CP(IB)/61/CHE/2023

(Filed under Section 33(1),33(2) & 34(1) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of NCLT Rules, 2016)

In the matter of ***Sheeba Marine Engineering Private Limited***

Prakul Thadi,
Resolution Professional of
Sheeba Marine Engineering Private Limited
Flat No. 1405, J Block, Rainbow Vistas,
Green Hills Road, Moosapet,
Hyderabad, Telangana - 500018

… Applicant

Order Pronounced on 13th December, 2024

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)

VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

For Applicant : *Lilly Francis, Advocate*

O R D E R
(Heard Through Hybrid Mode)

This is an application filed under Section 33(1),33(2) & 34(1) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of NCLT Rules, 2016 seeking reliefs as follows:

(a) allow the present application;

(b) pass an order under Section 33(1) and 33(2) of the Code for liquidation of the Corporate Debtor;

(c) pass an order under Section 34(1) of the Code appointing the Applicant as the Liquidator of the Corporate Debtor;

(d) pass an order directing the issuance of the public announcement in terms of Section 33 (1)(b)(ii) of the Code;

(e) grant any other relief or reliefs as may deem fit in the interest of justice.

2. It is stated that the Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor was initiated vide order of this Tribunal dated 21.06.2024 and the Applicant was appointed as the Interim Resolution Professional (IRP).

3. It is stated that the public announcement in Form A inviting claim of the creditors was published by the Applicant on in 'Makkal Kural' (Tamil) & 'Trinity Mirror' (English) on 26.06.2024.

4. It is stated that in the 1st CoC Meeting held on 22.07.2024, the Applicant appraised the CoC that the prominent assets owned by the Corporate Debtor are the semi-finished ship designs approved by the Indian Register of Shipping, the value of which is yet to be

determined. The CoC informed the Applicant that it is not willing to contribute to the cost of CIRP.

5. On 22.07.2024, the Applicant received claim **in Form B**. The claim was admitted by the RP and accordingly, the CoC was reconstituted. The voting percentage of the re-constituted CoC is submitted as under,

S.No	Name of the CoC Member	Voting Share (%)
1	E. Pearson & Co. Ltd	98.37
2	Income Tax Department, Ward 1, Villupuram	1.63
TOTAL		100

6. It is stated that in the 2nd CoC meeting held on 21.08.2024, the suspended director of the Corporate Debtor, Mr. Mohammed Jafarullah Mohammed Yaseen, informed the CoC that the suspended directors intend to raise investment and settle all the outstanding debts of the creditors within two weeks. Further, the suspended directors appraised the committee that liquidation of the Corporate Debtor will be unfavorable to the CoC as semi- finished goods of the Company have limited market value. However, the CoC with **98.3% majority** passed resolution for liquidation of the

Corporate Debtor and for appointment of the Applicant as the Liquidator.

7. It is stated that there is no scope for revival of the Corporate Debtor as there are no prominent assets with the Corporate Debtor. Further, the CoC has resolved to liquidate the Corporate Debtor.

8. During the hearing on 08.11.2024, it was submitted by the Applicant that there are unfinished aluminum boats and designs of the boats. It was stated that the Suspended Directors of the Corporate Debtor were present in the CoC meeting, but did not give complete proposal to revive the Company till the date of filing of the application. The CoC was accordingly directed to explain why the valuation of the assets was not conducted and to communicate the decision as to bearing of initial liquidation expenses.

9. The Applicant filed a memo vide S.R. No. 5873 dated 04.12.2024. It is stated that, pursuant to the order of this Tribunal dated 08.11.2024, the 3rd CoC meeting was held on 15.11.2024 and clarifications were sought from the CoC. The member of CoC

holding majority voting rights, M/s. E. Pearson & Co. Ltd., furnished a written response addressing the said clarifications via email dated 29.11.2024. The e-mail dated 29.11.2024 was forwarded to the Income Tax Officer, Ward 1, Villupuram. No objection or observations were received from the member in this regard.

10. As per the minutes of the 3rd CoC meeting dated 15.11.2024, the reason for deferring the valuation is the minimal asset base, rendering valuation at this stage unnecessary. Therefore, conducting a valuation before entering liquidation would lead to additional costs to maintain the process, which the CoC deemed imprudent to incur.

11. During the hearing on 05.12.2024, it was submitted by the Applicant that he is willing to act as Liquidator on the fee / expenses settled by the CoC.

12. We have heard the submissions and perused the record.

13. The applicant has annexed **Form-H** at **Page Nos.98-113** of the Application typeset. It is seen from the Form-H that no PUFE applications are pending in this matter.

14. It is seen from the records that the Committee of Creditors in the 2nd COC meeting held on 21.08.2024 has resolved to liquidate the Corporate Debtor with **98.37%** approval from M/s. E. Pearson Co. Ltd. As per Section 33(2) of IBC, 2016, where the resolution professional, at any time during CIRP but before confirmation of resolution plan, intimates this Tribunal of the decision of the CoC approved by not less than 66% of the voting share to liquidate the corporate debtor, the Tribunal shall pass a liquidation order. In such circumstances, this Adjudicating Authority concludes that this application is to be allowed. We therefore order for initiation for liquidation proceedings as per Section 33(2) of IBC, 2016 against the Corporate Debtor, M/s. Sheeba Marine Engineering Private Limited.

15. The proposed Liquidator, Prakul Thadi has filed his written consent to act as the Liquidator of the Corporate Debtor and also on verification from the IBBI Website, it is seen that the Authorization

for Assignment (AFA) for the said person is valid up to 31.12.2025. During the hearing dated 05.12.2024, Applicant has expressed his willingness to act as the Liquidator on the fee / expenses settled by the CoC.

16. We hereby appoint ***Mr. Prakul Thadi,*** *with Reg. No.* ***IBBI/IPA-002/IP-N01149/2021-2022/13806 (AFA valid upto 31.12.2025)*** as the Liquidator of the Corporate Debtor, to carry out the liquidation process subject to the following terms and directions.

a) The Liquidator shall strictly act in accordance with the provisions of IBC, 2016 and the attendant Rules and Regulations including Insolvency and Bankruptcy (Liquidation Process) Regulations, 2017 as amended upto date enjoined upon her.

b) The Liquidator shall issue the public announcement that the Corporate Debtor is in liquidation. In relation to officers/ employees and workers of the Corporate Debtor, taking into consideration Section 33(7) of IBC, 2016, this order shall be deemed to be a notice of discharge.

c) The Liquidator shall investigate the financial affairs of the Corporate Debtor particularly, in relation to preferential transactions/ undervalued transactions and such other like transactions including fraudulent preferences and file suitable application before this Adjudicating Authority.

d) The Liquidator is directed to proceed with the process of liquidation in a manner laid down in Chapter III of Part II of the Insolvency and Bankruptcy Code, 2016.

e) The Liquidator is directed to investigate the financial affairs of the Corporate Debtor in terms of the provisions of Section – 35(1) of IBC, 2016 read with relevant rules and regulations and also file its response for disposal of any pending Company Applications during the process of liquidation.

f) The Liquidator shall submit a Preliminary report to this Tribunal within 75 (seventy-five) days from the liquidation commencement date as per regulation 13 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016. Further such other or further report as are required to be filed under the relevant Regulations, in addition, shall also be duly filed by him with this Adjudicating Authority.

17. The Operational Creditor is directed to deposit INR 1,00,000/- (Indian Rupees One lakh) to the bank account of the Liquidator within one week, towards his expenses. This shall be subjected to

the rules and regulations under the provisions of the Insolvency and Bankruptcy Code, 2016.

18. The Registry is directed to communicate this order to the Registrar of Companies, concerned and to the Insolvency and Bankruptcy Board of India;

19. The order of Moratorium passed under Section 14 of the Insolvency and Bankruptcy Code, 2016 shall cease to have its effect and that a fresh Moratorium under section 33(5) of the Insolvency and Bankruptcy Code shall commence.

20. Copy of this order be sent to the financial creditors, Corporate Debtor and the Liquidator for taking necessary steps and for extending the necessary co-operation in relation to the Liquidation process of the Corporate Debtor.

21. With the above said directions, this **IA(IBC)(LIQ)/35/CHE/2024** filed for Liquidation of the Corporate Debtor stands **allowed**.

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VENKATARAMAN SUBRAMANIAM	**SANJIV JAIN**
MEMBER (TECHNICAL)	MEMBER (JUDICIAL)

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