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NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH

PRESENT: HON'BLE SHRI RATAKONDA MURALI– MEMBER JUDICIAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 06.08.2018 AT 10.30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA No.223/2018 CP(IB) No. 173/10/HDB/2017
NAME OF THE COMPANY	Sri Vinayaka Paper and Boards Limited
NAME OF THE PETITIONER(S)	
NAME OF THE RESPONDENT(S)	
UNDER SECTION	10 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

G. Madhusudhan Rao   RP.   madhucs1@gmail.com. 9177715558.

ORDER

Orders pronounced vide separate orders

Member (J)

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IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD

IA 223 OF 2018
IN
CP(IB) No.173/10/HDB/2017

U/s 30 (6) and 31(1) of INC, 2016
R/w Regulations 39 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

In the matter of
M/s Sri Vinayaka Paper & Boards Limited

Shri G. Madhusudhana Rao
Resolution Professional
7-1-285, Flat No.103
Sri Sai Swapna Sampada Apts
Balkampet, Hyderabad – 500038 ...Applicant / Resolution Professional

VERSUS

1. Union Bank of India,
   IFB Branch
   D.No.6-3-1090/B/4/101,
   First Floor,
   The Grand, Raj Bhavan Road,
   Somajiguda,
   Hyderabad – 500 082.

2. State Bank of Hyderabad
   ICRISAT Branch
   Patancheru – 502319.

3. Indian Bank
   Rajahmundry Branch
   D.No.36-2-2,
   Shyamalamba Road, Innispet,
   Rajahmundry – 523 101.

4. Bank of India
   D.No.5-8-659,
   P.B.No.134,
   Nampally Station Road,
   Hyderabad – 500001.

5. Andhra Bank,
Ground Floor,
Divya Shakti Complex,
Greenlands Road, Ameerpet,
Hyderabad – 500016. ...Respondents

Date of order: 06.08.2018

Coram:

Hon'ble Shri Ratakonda Murali, Member (Judicial)

Parties / Counsels present:

For the Applicant:	Shri G. Madhusudhana Rao, Resolution Professional (in person)
For the Corporate Debtor:	Shri Sandeep Sama, Advocate
For the Financial Creditors:	Shri Sethu Madhava Rao, Advocate

Per: Hon'ble Ratakonda Murali, Member (Judicial)

Heard on: 05.07.2018 & 25.07.2018

ORDER

1. This Application is filed under Section 30 (6) and Sec.31 of the Insolvency and Bankruptcy Code, 2016 R/w Regulation 39 of Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 seeking for approval of the Resolution Plan submitted by M/s Ananya Rai Paper and Allied Products Private Limited (AIPPL).

2. The Resolution Professional representing Corporate Applicant / Corporate Debtor had filed this Application with a prayer for approval of the Resolution Plan which was approved by the Committee of Creditors with 100% voting share.

3. The contentions of the Applicant that the Corporate Applicant/ M/s Sri Vinayaka Paper & Boards Limited filed the Application under Section 10 of IBC, 2016 (herein after referred to as Code) R/w Rule 7 of Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating CIRP. The said petition was admitted by order dated 22.09.2017. The order admitting the Petition is filed which is shown at pages 23-47 of the Application.

4. At the first instance, this Adjudicating Authority appointed Mr. Racharla Ramakrishna Gupta as Interim Resolution Professional who was subsequently replaced by Shri G. Madhusudhana Rao as Resolution Professional by the CoC in its meeting held on 20.10.2017. This Tribunal appointed Shri G. Madhusudhana Rao as Resolution Professional vide order dated 02.11.2017 which is shown at pages 106-108 of the Application.

5. It is stated that the IRP constituted Committee of Creditors and also issued public announcement in the newspapers. He has also appointed two registered Valuers who gave valuation reports shown at page Nos. 91-94 of the Application. The valuers G.S. Mittal valued the assets of the Corporate Applicant @ Rs. 98.60 Crores. Shri P. Kanaka Rao valuer has given valuation at Rs. 94.81 Crores, which includes collateral securities.

6. It is further stated that Adjudicating Authority has extended CIRP beyond 180 days by another 90 days which comes to an end by 18.06.2018. In the 4th CoC meeting extension of CIRP was approved and accordingly Resolution Professional filed Application for extension of CIRP. This Adjudicating Authority extended the period of CIRP by 90 days beyond 180 days.

7. It is stated Expression of Interest (EOI) was published in the newspapers. It is stated 10 EOIs were received and four Resolution Plans only received and placed before the CoC. It is stated in the 9th CoC meeting held on 09.05.2018, the Resolution plans were considered with reference to Section 30 & 31 of the Code along with Regulations 37, 38 and 39 of IBBI (Insolvency Resolution Process for Corporate Persons), 2016. The Resolution Plans were considered with reference to provisions of Section 30 (2) of the Code.

8. It is averred in the 9th CoC meeting held on 09.05.2018, the members of the CoC in principle selected the resolution plan submitted by M/s Bharani Commodities Private Ltd (BCPL) which provides for highest realization to the CoC members. However, CoC members wanted certain modifications to the resolution plan of M/s Bharani Commodities Private Ltd (BCPL). The Resolution Applicant M/s Bharani Commodities Private Ltd (BCPL) did not agree for making alterations to the Resolution plan as suggested by the members of CoC.

9. In the 10th CoC meeting held on 19.05.2018, the second Resolution Plan submitted by M/s Ananya Infra Projects Private Limited (AIPPL) was considered and for this Resolution Plan also some modification were suggested. The Resolution Applicant had agreed for most of the modifications suggested.

10. It is averred that that in the 10th CoC Meeting dated 19.05.2018, the CoC members after negotiations with second Resolution Applicant and after considering the resolution plan with reference to Section 30, 31 of the Code along with Regulations 37, 38 & 39 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, have unanimously selected the resolution plan submitted by M/s Ananya Infra Projects Private Limited or any other Company of the same group.

11. Para-7 of the Resolution Plan deals with payments and full and final settlement of all claims. The Plan covers payments of Insolvency Resolution Process costs, which is estimated at Rs. 1,42,22,258/-. The Resolution Plan also provides for payment of workmen dues. The Resolution Applicant proposes to acquire assets of the Corporate Debtor Company on Slump Sales basis for a total consideration of Rs.85 crores and the consideration to be paid in the manner stated in the Resolution Plan. The payment proposed to be made is shown in the table given below as per the plan:-

S.No.	Description of the payment	Amount (Rs in crores)
01.	IRP, RP & other preliminary miscellaneous expenses – Annexure-3	1.42*
02.	Workers dues for 24 months in proportion to the secured financial creditors	0.11
03.	Secured Financial creditors	83.47
04.	Unsecured Financial creditors	1.34
05.	Operational Creditors	1.37
06.	Services and consultancy Exp	Nil
07.	Statutory payments including but not limited to IT, TDS, VAT, CST, GST, Excise, customs, service tax, PG, ESI, Professional tax deferred sales tax etc and interest, penalties or any other charges on the above	Nil
08.	Electricity Department Dues	Nil**
	Total Payable	87.71**

* As per the books of accounts and estimates till the date of IRP i.e. 18.06.2018, an amount of Rs. 52,50,240/- showing as provision towards workers who does not have either PF or TDS or ESI or Professional Tax or payment through Bank account at any time. In view of this, Resolution Professional has not considered this as workmen dues.

As per the books of accounts and estimates till the date of IRP i.e. 18.06.2018, an amount of Rs.14,08,101/- provision towards employees who does not have either PF or TDS or ESI or Professional Tax or payment through bank account at any time. In view of this, Resolution Professional has not considered this as salaries.

** The electricity department also claimed an amount of Rs. 1,22,58,607/- in Form B.

Since factory was closed to run the operations before commencement of the CIRP i.e. 22.09.2017 and liquidation value available to Operational creditors is NIL as per Section 53 of the IBC. Electricity Department raised the Bills based on the Agreement (HT) Agreement dated 27.01.2017 even though Corporate Debtor is not using the power.

12. The Resolution Plan provides the Tribunal to give some direction to the concerned Government Departments for providing concession. However, it is open to the Resolution Applicant to obtain concession, if any, to be extended by concerned Government authorities to the Corporate Debtor Company, as per law.

13. The Resolution Applicant is not disqualified under Section 29 (A) of the Code. In this case, originally Resolution Plan was submitted by M/s Ananya Infra Projects Private Limited. It is also provided that plan can be submitted in the name of Group Company. M/s Ananya Rai Paper and Allied Products Private Limited submitted Resolution Plan in the place of M/s Ananya Infra Projects Private Limited on the ground it is a group Company. This was considered by CoC in its 11th meeting held on 14.06.2018.

14. In the 11th CoC meeting held on 14.06.2018 members of CoC unanimously with 100% voting approved Resolution Plan submitted by M/s Ananya Rai Paper and Allied

Products Private Limited, which is a group company of M/s Ananya Infra Projects Private Limited.

15. I have seen the Resolution plan submitted by M/s Ananya Rai Paper and Allied Products Private Limited which was considered by members of CoC in its 11th meeting held on 14.06.2018. The minutes of the meeting of 11th CoC is shown at pages 141-145 of the Applicant. The CoC unanimously resolved to submit the Resolution plan to the Adjudicating Authority for approval. It is stated that Resolution plan given by M/s Ananya Rai Paper and Allied Products Private Limited meets the requirements of the Code and Regulations. The Resolution Professional has given certificate to the said effect which is shown at page 155 of the Application.

16. The Resolution plan approved by members of CoC with 100% voting share and attendance sheets are shown at page Nos. 156-162 of the Application.

17. The Corporate Debtor represented by Resolution Professional is seeking the relief for the approval of the Resolution Plan under Section 31(1) of the Code.

18. The CoC approved the Resolution Plan as per Section 30 (4) of the Code with 100% voting in favour of the Plan. The Resolution Professional also filed a certificate that Resolution Plan is in conformity with the provisions of Section 30 of the Code. The plan meets all the requirements contained in Section 30 of the Code. Therefore, the Resolution Plan is to be approved by the Tribunal in pursuance of Section 31 (1) of the Code.

19. In the result, the Resolution plan submitted by M/s Ananya Rai Paper and Allied Products Private Limited is approved and that the same shall be binding on the Corporate Debtor and its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan.

20. The revival plan of the company in accordance with the approved resolution plan shall come into force with immediate effect. The moratorium order passed by this Tribunal under Section 14 shall cease to have vacated.

21. The resolution professional shall forward all records relating to the conduct of the corporate insolvency resolution process and the resolution plan to the IBBI to be recorded on its database.

19. CA No. 223/2018 and CP (IB) No.173/10/HDB/2017 are disposed off in terms of the above.

6.8.18

RATAKONDA MURALI
MEMBER (JUDICIAL)