SL. No.140

NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO: II

(Video Conference)

CORAM: DR.VENKATA RAMAKRISHNA BADARINATH NANDULA – HON'BLE MEMBER (J)
CORAM: SHRI VEERA BRAHMA RAO AREKAPUDI, HON'BLE MEMBER (T)

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH, HELD ON 26.09.2022 AT 02:30 PM THROUGH VIDEO CONFERENCE

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA (IBC)/859/2022in CP(IB) No.150/7/HDB/2020
NAME OF THE COMPANY	Hari Shankar Paper Products Pvt Ltd
NAME OF THE PETITIONER(S)	Indiabulls Consumer Finance Ltd
NAME OF THE RESPONDENT(S)	Hari Shankar Paper Products Pvt Ltd
UNDER SECTION	7 of IBC

ORDER

IA 859/2022 in CP(IB) 150/7/HDB/2020 – Orders pronounced and recorded vide separate sheets. A direction in terms of Section 19(3) of IBC has been given to the Ex-Directors. Accordingly, IA 859/2022 is allowed.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

Syamala

IN THE NATIONAL COMPANY TRIBUNAL
HYDERABAD BENCH, HYDERABAD

I.A NO. 859 OF 2022

IN

C.P. (IB) No. 150/7/HDB/2020

In the matter of Harishankar Paper Products Pvt Ltd

Between:

Mr. Sunit Jagdishchandra Shah
(IBBI/IPA-001/IP-P00471/2017-2018/10814)
Resolution Professional of M/s. Harishankar Paper products Pvt Ltd.
Works at 801-802, 8th Floor, Abhijeet – 1, Mithakali Six Roads,
Navrangpura, Ahmedabad – 380009.

...Applicant/Resolution Professional

And

1. Mr. Shiv Shankar Taparia
   5-9-46/1, 2nd Floor, Sri Sai Queen Stone Palace, Basheerbagh,
   Nr. Kirloskar Hospital, Hyderabad, Telangana – 500001.
   Email: harishankar_paper@yahoo.com Ph. 9848015015.

2. Mr. Ram Kishore Taparia
   5-9-46/1, 2nd Floor, Sri Sai Queen Stone Palace, Basheerbagh,
   Nr. Kirloskar Hospital, Hyderabad, Telangana – 500001.
   Email: harishankar_paper@yahoo.com Ph. 9848015015.

...Respondents/Suspended Directors of Corporate Debtor

Date of Order: 26.09.2022

Coram:
Dr. Venkata Ramakrishna Badarinath Nandula, Member Judicial
Shri Veera Brahma Rao Arekapudi, Member Technical

Parties/Counsels Present:

For the Applicant : Ms. Mano Ranjani, Counsel

Sdl

[P E R : BENCH]

Sdl

ORDER

1. Under consideration is an application filed by the Resolution Professional u/s 19(2) & 60(5) of IB Code, 2016, r/w Rule 11 of the NCLT Rules, 2016, *inter-alia* seeking to direct the Respondents to share below detailed information to the Resolution Professional as under:-
   a. Audited Financial Statements, Audit Reports, Secretarial Reports for the FY 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22.
   b. Provisional Financial statements for the period from 01-04-2022 to 13.04.2022 (Date of initiation of CIRP)
   c. Books of accounts of the Corporate Debtor in Tally or any other package, or ledgers & registers maintained by the Corporate Debtor for the period 01.04.2016 to 13.04.2022.
   d. Cheque books & Bank Statements of the Corporate Debtor for 5 years.
   e. List of Related parties and Related Party Transactions.
   f. Form 26AS, Income Tax Returns & GST Returns along with their login passwords and website access & control.
   g. Income Tax Assessment order for last 3 years or earlier if any advance for that assessment year outstanding in the balance sheet.
   h. Cash Ledger and Credit Ledger for GST.
   i. List of employees with their contact numbers and complete details of the key personnel of the Company.
   j. Details of Guarantees taken
   k. Complete shareholders list for the 5 years.
   l. Existing sale contracts, purchase contracts, and work contracts including details of the Contractors and security agencies

Sd/-

-Sd/-

m. Complete details of all material litigation and on ongoing investigation or proceeding initiated by the Government and statutory authorities.
n. Copies of Fixed Deposits as on CIRP date.
o. Cash & Bank Certificates as on CIRP date
p. Fixed Assets & Depreciation Register of the Corporate Debtor as on 13.04.2022 along with Fixed Assets schedules to the Balance Sheet.
q. Stock Register (quantitative details & its value) as on 13.04.2022.
r. Purchase & sales Register.
s. Purchase & Sales Invoices File.
t. Details of Sundry Debtors & Sundry Creditors.
u. PPF & EPF Records.
v. AGM Records
w. ROC Records
x. Loan Agreements and register
y. Rental/Lease agreements, if any.
z. All other records of the Corporate Debtor including Communications/agreements/appointment letters of professionals /consultants.

2. Brief facts of the case as stated by the Applicant are as under:-

a. That in furtherance to the order dated 13.04.2022 pronounced by the Hon'ble NCLT Hyderabad, Mr. Sunit Jagdishchandra Shah, (IBBI/IPA-001/IP-P00471/2017-2018/10814) was appointed as Interim Resolution Professional (IRP).
b. That the IRP, on 23-04-2022, visited the registered office of the Corporate Debtor, situated at Plot No. 409, Survey No. 127/1, Sai Krupa Market, Mahaboob Mansion, Malkapet, Hyderabad, Telangana 500036

-Sd-

-Sd/-

to physically verify the assets of the Corporate Debtor and it observed that the Corporate Debtor is not working state or active with its operations. A meeting was conducted with the Respondent No.1 and the IRP took charge on the land and building and of the stock lying at the Corporate Debtor's premises.

c. That the IRP/Resolution Professional, immediately on his appointment, intimated the Respondents about the initiation of CIRP, sought their cooperation and requested for all the records and documents of the Corporate Debtor.

d. That the order by this Hon'ble Adjudicating Authority directed the personnel of the Corporate Debtor, its promoters or any other persons associated with the management of the Corporate Debtor to assist and cooperate with Resolution Professional to provide access to documents and records and management of the affairs of the Corporate Debtor.

e. However, inspite of several reminders, the respondents instead of providing the information required, are making excuses, seeking time and avoiding giving information and the documents required for conducting the CIRP.

f. That the Respondents and other associated with the Corporate Debtor are not cooperating with Resolution Professional which is resulting to hindrance to CIR Process.

g. Therefore, in view of the above submissions, facts and circumstances that the indulgence of this Hon'ble Adjudicating Authority is absolutely imperative by way of directing all the Respondents to cooperate with the Resolution Professional and provide the information/records required for the CIRP of the Corporate Debtor in the interest of justice as otherwise the Applicant would suffer irreparable loss, damage and injury.

-sd/- -sd/-

3. Heard. Perused the record.
4. **Section 19 mandates the Personnel of Corporate Debtor to extend cooperation to interim resolution professional as under:-**

> **19.** (1) The personnel of the corporate debtor, its promoters or any other person associated with the management of the corporate debtor shall extend all assistance and cooperation to the interim resolution professional as may be required by him in managing the affairs of the corporate debtor.
>
> (2) Where any personnel of the corporate debtor, its promoter or any other person required to assist or cooperate with the interim resolution professional does not assist or cooperate, the interim resolution professional may make an application to the Adjudicating Authority for necessary directions.
>
> (3) The Adjudicating Authority, on receiving an application under sub-section (2), shall by an order, direct such personnel or other person to comply with the instructions of the resolution professional and to cooperate with him in collection of information and management of the corporate debtor.

5. The suspended Board of the Corporate Debtor is duty bound to provide all the information and records to the IRP appointed by the Adjudicating Authority. Section 17 (1) of the IBC provides that from the date of appointment of the interim resolution professional, the management of the affairs of the corporate debtor shall vest in the interim resolution professional. We hereby therefore, direct the Respondents herein, who are the Directors (Suspended Board) to provide all required information to the IRP forthwith as CIRP is the time bound process.

-Sd/-

-Sd/-

6. Further IRP is duty bound to collect all information pertaining to Corporate Debtor's assets, finances and operations for determining its financial position from other sources as well viz. to request the RoC and the banks to provide statements of the Corporate Debtor pertaining to pre-CIRP period. The same could be used to reconstruct financial statements, thereby giving a fair idea about operations of Corporate Debtor for determining the financial position of Corporate Debtor.
7. With the above directions, we disposed of IA No. 859/2022 accordingly.

Sd/-

Veera Brahma Rao Arekapudi
Member Technical

-Sd/-

Dr.Venkata Ramakrishna Badarinath Nandula
Member Judicial