

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO:II
SPECIAL BENCH(Video Conference)**

**CORAM: HON'BLE MADAN BHALCHANDRA GOSAVI – MEMBER JUDICIAL
HON'BLE DR.BINOD KUMAR SINHA-MEMBER TECHNICAL**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 26.03.2021 AT 10:30 AM THROUGH VIDEO CONFERENCE**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA No.114/2021 & IA (IBC)/118/2021 in CP(IB) No.520/9/HDB/2019
NAME OF THE COMPANY	Satya Solutions Pvt Ltd
NAME OF THE PETITIONER(S)	K L R Engineers Pvt Ltd
NAME OF THE RESPONDENT(S)	Satya Solutions Pvt Ltd
UNDER SECTION	9 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

ORDER

This case is fixed for pronouncement of order.

IA No.114/2021 & IA(IBC)/118/2021 in CP(IB) No.520/9/HDB/2019 is allowed vide separate sheets.


MEMBER TECHNICAL


MEMBER JUDICIAL

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD**

**IA No.114 & 118/2021
In
CP(IB)No.520/9/HDB/2019**

In the matter of: M/s. SATHYA SOLUTIONS PRIVATE LIMITED

Mr. Prabhakar Reddy Palakolanu
Resolution Professional
M/s. Sathya Solutions Private Limited
D.No.2-91/14/G/503, 5th Floor, Bhaskar Empire,
Hi-Tech City Road, Opp: Jayaberi Silicon Towers,
Whitefields, Kondapur, Hyderabad – 500 084.

...Applicant

Date of Order: 26.03.2021

**Coram: Madan B. Gosavi, Member Judicial.
Dr. Binod Kumar Sinha, Member Technical**

Parties/Counsel(s) Presents:

For the Applicant: Mr. Prabhakar Reddy Palakolanu, RP

[Per Bench]

ORDER

1. The present Application bearing IA No. 118/2021 in CP(IB)No. 520/9/HDB/2019 is filed by Resolution Professional under Section 33(1)(i) of Insolvency and Bankruptcy Code, 2016 Read with Rule 11 & 13 of The National Company Law Tribunal Rules, 2016 before this Adjudicating Authority to pass an order for initiation of Liquidation Process with respect to the Corporate Debtor Company in compliance to Section 30(1)(a) of IBC, 2016 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.
2. Brief facts as stated by the counsel for the Applicant are as follows:-





- a. That M/s. KLR Engineers Private Limited (Operational Creditor) filed CP(IB)No.520/9/HDB/2019 against M/s. Satya Solutions Private Limited (Corporate Debtor) under Section 9 of the IB Code and vide order dated 04.12.2019, this Adjudicating Authority admitted the said Application and Mr. Pavan Kankani was appointed as the Interim Resolution Professional.
- b. That in the 1st CoC meeting, held on 03.01.2020, the IRP was replaced with Mr. Prabhakar Reddy Palakolanu (the Applicant herein). The Applicant herein after his appointment as Resolution Professional conducted the Corporate Insolvency Resolution Process.
- c. That after his appointment as RP, the members of CoC avoided to respond to the RP for taking any decisions as per the provisions of the Code for smooth conduct of CIRP. The Applicant approached this Adjudicating Authority by filing an Application vide IA No.114/2021 for directions to the CoC members for their co-operation in smooth functioning of CIRP under Section 19(2) of the I&B Code, 2016.
- d. That on the date of hearing, after hearing the submissions made by the Applicant with respect to non-co-operation of the members of the CoC, this Adjudicating Authority directed the Applicant/RP to file an Application for Liquidation of the Corporate Debtor Company on the basis of the Expiry of Maximum period of CIRP as 330 days from the date of Commencement of CIRP had already expired and no Resolution Plan was available for consideration before CoC. The Applicant further brings to the knowledge of this Adjudicating Authority that, the Corporate Debtor Company being a trader of Electrical Equipment, is out of business for more than 3 years (since Jan, 2018) and no office of the Corporate Debtor and books of accounts were audited from 2016-2017, the chances of revival are remote and negligible. That all its assets

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being in the form of Actionable claims (Trade Receivables and Loans and Advances). There being no Physical assets with the Corporate Debtor Company, there is a negligible chance for anyone to show interest in the revival of Corporate Debtor Company.

- e. That the Applicant moving the present Application before this Adjudicating Authority in pursuance of Section 33 (1) (a) of the I&B Code, 2016 wherein it clearly stipulated that liquidation proceedings may be initiated ***“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.”***
- f. That the RP is not interested to continue as the Liquidator in the event of passing the order for liquidation. Hence, this Adjudicating Authority may appoint an Insolvency Professional to act as Liquidator.

3. Heard the RP and perused the records.

4. In view of the facts and circumstances as recorded by RP in IA No. 118 of 2021 filed in CP(IB) No. 520/9/HDB/2019, this Adjudicating Authority did not receive any Resolution Plan under Sub-Section (6) of Section 30 of the I&B Code, 2016. Therefore, this Adjudicating Authority deems it proper to allow the Application bearing IA No. 118/2021 as prayed for. Accordingly, in exercise of powers conferred under Sub-Clauses (i), (ii) and (iii) of Clause (b) of Sub-Section (1) of Section 33 of the I&B Code, 2016, we proceed to pass Order as follows:—

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- (i) This Adjudicating Authority hereby order for Liquidation of M/s. Sathya Solutions Private Limited, which shall be conducted in the manner as laid down in Chapter III of part II of the I&B Code, 2016;
- (ii) This Adjudicating Authority hereby appoint Ms. Kalpana.G to act as Liquidator in the present case. She is further directed to file the Authorisation for Assignment (AoA) within 7 days from date of this order. She shall issue a public announcement stating therein that the Corporate Debtor is in Liquidation;
- (iii) The moratorium declared under Section 14 of the I&B Code, 2016, shall cease to have effect from the date of the order of Liquidation;
- (iv) Subject to Section 52 of the I&B Code, 2016, no suit or other legal proceedings shall be instituted by/or against the Corporate Debtor. However, a suit and other legal proceedings may be instituted by the Liquidator, on behalf of the Corporate Debtor, with the prior approval of this Authority.
- (v) We make it clear that para (iv) hereinabove shall not apply to legal proceedings in relation to such transactions as notified by the Central Government in consultation with any financial sector regulator.
- (vi) This Order 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.
- (vii) 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 Company Liquidator viz., Ms. Kalpana.G. In addition to this, the Company Liquidator shall exercise the powers and duties as enumerated in Sections 35 to 50, 52 to 54 of

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the I&B Code, 2016, r/w Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

- (viii) The personnel of the Corporate Debtor shall extend all assistance and co-operation to the Company Liquidator as may be required by him in managing the affairs of the Corporate Debtor.
- (ix) The Liquidator shall keep in view the provisions of Regulation 32A of Insolvency and Bankruptcy Board Of India (Liquidation Process) Regulations, 2016 and shall endeavour to first sell the Corporate Debtor or its business as going concern. However, if she is unable to sell the Corporate Debtor or its business within 90 days from liquidation commencement date, Liquidator shall proceed to sell the assets of the Corporate Debtor under clauses (a) to (d) of Regulation 32 of Insolvency and Bankruptcy Board Of India (Liquidation Process) Regulations, 2016.
- (x) The Company Liquidator shall be entitled to charge such fee for conducting the Liquidation proceedings in such a proportion to the value of the Liquidation estate assets as specified by the Board under Regulation 4(3) of IBBI (Liquidation Process) Regulations, 2016. Accordingly, the fees for conducting the Liquidation proceedings shall be paid to the Company Liquidator from the proceeds of the Liquidation estate.
- (xi) Copy of this Order shall be sent to the concerned Registrar of Companies, RD, OL, Registered Office of the Corporate Debtor and Company Liquidator viz., Ms. Kalpana.G for information and compliance.
- (xii) Registry is directed to furnish a copy of this order to IBBI for confirmation of appointment of Liquidator.

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5. IA No.114/2021 is filed with certain prayers in relation to co-operation by CoC and for smooth conduct of CIRP.
6. However, in view of order of Liquidation in IA No.118/2021 this IA is closed with liberty to the Applicant to approach afresh.
7. Accordingly, IA No.114/2021 & 118/2021 stand disposed of.

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DR. BINOD KUMAR SINHA
MEMBER TECHNICAL

-Sd-

MADAN B. GOSAVI
MEMBER JUDICIAL