

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
NEW DELHI BENCH
COURT III**

IA-251/2022
In
CP (IB) – 172/ND/2020
Filed under Section 33(2)
Of the IBC, 2016

In the matter of Vishal Footwear Ltd. (CD)

Ananda Rao Korada
Interim Resolution Professional

... Applicant

Order delivered on of 24th August, 2022

CORAM:

Shri Bachu Venkat Balaram Das
Hon'ble Member (Judicial)

Shri Satya Ranjan Prasad
Hon'ble Member (Technical)

Parties / Counsels present

For Applicant : Mr. Mohd. Nazim Khan, PCS

ORDER

Per: SATYA RANJAN PRASAD, MEMBER (T)

1. This relates to IA-251/2022 filed in CP (IB) – 172/ND/2020 filed by Mr. Ananda Rao Korada (hereinafter referred to as 'IRP/Applicant') under Section 33(2) of the Insolvency and Bankruptcy Code, 2016. The

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prayer made in the Application is to pass an order of liquidation pertaining to the Corporate Debtor (CD) viz., Vishal Footwear Ltd.

2. Originally the captioned petition was admitted by this Adjudicating Authority vide Order dated 23.11.2021, the Corporate Insolvency Resolution Process (CIRP) was initiated of the Corporate Debtor and the applicant was appointed as Interim Resolution Professional (IRP) vide the same order.
3. It is submitted that the IRP has performed his duties as per the IBC and applicable regulations and conducted 1 CoC meeting. It is stated that the applicant has received the claim and constituted the CoC as per the Code and relevant regulations. The First COC meeting was held on 20.12.2021 wherein the IRP placed before COC the Annual accounts for last three years of the Corporate Debtor and it was evident that the Corporate Debtor is nonoperational and does not have any assets. Therefore, Valuation by a Registered Valuer in the category of securities and financial assets, plant and machinery and land and building was not required in this matter.

Furthermore, in the aforesaid COC Meeting it was observed on going through Annual accounts of the Corporate Debtor for last three years, the Corporate Debtor is non-operational and does not have any assets to cover even CIRP cost as such, hence in order to save further expenses, the Corporate debtor be Liquidated. Thereafter, the IRP placed the following resolutions before COC which was approved with 100% voting, the relevant extract of the meeting is as follows:

“RESOLVED THAT *Committee of Creditors of Vishal Footwear Limited (Under CIRP) in view of the insufficient Assets of the Corporate Debtor to cover the CIRP and Liquidation Costs do hereby approve the liquidation of the Corporate Debtor, pursuant to the provisions of Section 33 and other applicable provisions of the Insolvency and Bankruptcy Code, 2016 and Rules and Regulations framed there under that Vishal Footwear Limited (Corporate Debtor) be liquidated in the manner as laid down in Insolvency and Bankruptcy Code, 2016.*

RESOLVED FURTHER THAT *pursuant to the provisions of Section 34 and other applicable provisions of the Insolvency and Bankruptcy Code, 2016 and Rules and Regulations framed there under and other applicable provisions of the Companies Act, 2013 and Rules framed there under, Ananda Rao Korada (IBBI Regn No:IBBI/IPA-002/IP-N00286/2017-18/10844), Interim Resolution Professional be and is hereby appointed as the*

Liquidator for the purposes of liquidation of Vishal Footwear Limited (Corporate Debtor).

RESOLVED FURTHER THAT *pursuant to the provisions of Section 34 and other applicable provisions of the Insolvency and Bankruptcy Code, 2016 and Regulation 4 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and other Rules and Regulations framed there under, the Liquidator so appointed shall be entitled to receive the consolidated remuneration of INR 25,000 plus GST as applicable and out of pocket expenses on actual basis incurred in connection with the performance of duties and this cost shall form part of the liquidation cost.*

RESOLVED FURTHER THAT *pursuant to the provisions of Section 31, 33 and 34 and other applicable provisions of the Insolvency and Bankruptcy Code, 2016 and Rules and Regulations framed there under and other applicable provisions of the Companies Act, 2013 and Rules framed there under, Ananda Rao Korada (IBBI Regn No: IBBI/IPA-002/IP-N00286/2017-18/10844), Interim Resolution Professional be and is hereby authorized to intimate the decision of Committee of Creditors for liquidation of Vishal Footwear Limited (Corporate Debtor) to the Adjudicating Authority (Hon'ble National Company Law Tribunal, New Delhi Bench) and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto*

RESOLVED FURTHER THAT *the said Ananda Rao Korada (IBBI Regn No: IBBI/IPA-002/IP-N00286/2017-18/10844) being the Liquidator be and is here by authorised to exercise all the powers as per the provisions of the Insolvency and Bankruptcy Code 2016 to effectively Liquidate the affairs of the Company and to do all such acts, deeds*

and things as may be required or considered necessary or incidental thereto, for the purpose of giving effect to the winding up of the Company.”

4. Since the CoC has decided to liquidate the Corporate Debtor, therefore, the Corporate Debtor has to be ordered for Liquidation.

ORDER

5. In view of the facts and circumstances recorded by Applicant in IA- 251/2022 filed in CP (IB) – 172/ND/2020 and 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, this Authority proceeds to pass Liquidation Order as follows: -

I. This Authority hereby orders for liquidation of the Corporate Debtor (CD) viz., M/s. Vishal Footwear Ltd. which shall be conducted in the manner as laid down in Chapter III of part II of the Insolvency & Bankruptcy Code, 2016;



II. This Authority hereby appoints Mr. Ananda Rao Korada (IBBI Regn No: IBBI/IPA-002/IP-N00286/2017-2018/10844) (Applicant) as Liquidator who shall issue a public announcement stating therein that the Corporate Debtor is in liquidation;

III. Subject to Section 52 of the Insolvency & Bankruptcy 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.

IV. This Authority makes 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.

V. 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.

VI. 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 with the Liquidator viz., Mr. Ananda Rao Korada, in addition to it, the Company Liquidator shall exercise the powers and duties as enumerated in Sections 35 to 50, 52 to 54 of the Insolvency & Bankruptcy Code, 2016, r/w Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

VII. The personnel of the Corporate Debtor shall extend all assistance and co-operation to the Liquidator as may be required by him in managing the affairs of the Corporate Debtor.

VIII. The Liquidator shall be entitled to charge such fees for the conduct of the liquidation proceedings as resolved by the CoC in its 1st meeting.

IX. The Registry is directed to communicate this order with immediate effect to the concerned Registrar of



Companies (ROC) with which the Corporate Debtor is registered, OL, Registered Office of the Corporate Debtor and Liquidator viz. Mr. Ananda Rao Korada, for information and compliance.

6. In terms of the above, IA-251/2022 filed in CP (IB) – 172/ND/2020 by the Applicants under Section 33(2) of the Insolvency & Bankruptcy Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz., M/s. Vishal Footwear Ltd. is **Allowed**.



(BACHU VENKAT BALARAM DAS)
MEMBER (JUDICIAL)



(SATYA RANJAN PRASAD)
MEMBER (TECHNICAL)