

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH**


PRESENT: HON'BLE SHRI K ANATHA PADMNABHA SWAMY- MEMBER JUDICIAL

PRESENT: HON'BLE SHRI BINOD KUMAR SINHA - MEMBER TECHNICAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 21.01.2020 AT 10.30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA NO.988/2019 in CP(IB) NO. 12/10/HDB/2019
NAME OF THE COMPANY	Parikh Fabrics Pvt Ltd
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
D. Gopal Krishna Asst & R.P.	Adv	9848050935	

Counsel for Respondent(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

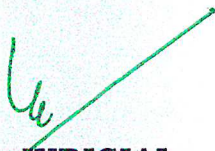
Mayur Mendra (Proxy for Gopal Krishna) Adv for RP 9849013595 

ORDER

IA No.988/2019

Order pronounced in open court. IA allowed vide separate order.


MEMBER TECHNICAL


MEMBER JUDICIAL

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

**IA No.988/2019
In
CP(IB)No.12/10/HDB/2019**

In the matter of:

M/s.Parikh Fabrics Private Limited
4-3-338, R K Estate,
Bank Street,
Sultan Bazar,
Hyderabad – 500 095.
(Rep. by Mr.G.Satyanarayana Murty, RP)

**...Applicant/
Corporate Debtor**

Order pronounced on: 21.01.2020

**Coram: K. Anantha Padmanabha Swamy, Member Judicial
Dr. Binod Kumar Sinha, Member Technical**

Parties/ Counsels Present:-

Mr.G.Satyanarayana Murty, RP
Mr.D.Gopalakrishna, Advocate for RP

Per: Dr. Binod Kumar Sinha, Member Technical

ORDER

- 1) The present Application bearing IA No.988/2019 in CP(IB)No.12/10/HDB/2019 is filed by Resolution Professional U/s. 33 of the IB Code, 2016 inter-alia praying to pass an order of Liquidation against the Corporate Debtor herein and to appoint a Liquidator U/s.34(4)(c) and Sec.34(5) of the I&B Code, 2016.
- 2) It is stated that this Adjudicating Authority has admitted the Company Petition bearing No. CP(IB) No.12/10/HDB/2019 vide order dated

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08.02.2019 and appointed Mr. J. Manivannan of Chennai as the Interim Resolution Professional (IRP). The said IRP has been replaced with Mr. G. Satyanarayana Murty, IBBI Reg.No. IBBI/IPA-001/IP-P00177/2017-2018/10356 as Resolution Professional (RP) in terms of Section 22(3)(b) in the first meeting of COC held on 07-03-2019 and the said appointment has been confirmed by this Adjudicating Authority on 26th March, 2019 vide its order of even date.

- 3) It is stated that the COC meetings were held 13 times in all in the case of Corporate Debtor detailed as under:

1 st COC Meeting:	07.03.2019
2 nd COC Meeting:	12.04.2019
3 rd COC Meeting:	22.04.2019
4 th COC Meeting:	07.05.2019
5 th COC Meeting:	16.05.2019
6 th COC Meeting:	04.06.2019
7 th COC Meeting:	18.06.2019
8 th COC Meeting:	03.07.2019
9 th COC Meeting:	10.07.2019
10 th COC Meeting:	30.07.2019
11 th COC Meeting:	20.09.2019
12 th COC Meeting:	04.10.2019
13 th COC Meeting:	29.10.2019

- 4) It is stated that the RP issued a publication in Form-G as required under Regulation 36A(1) inviting expression of interest in The Indian Express and Eenadu newspapers on 24th April, 2019. As there was no response to EOI published, it was extended twice and latest Form-G was published in the Financial Express and Nava Telangana and Andhra Prabha papers

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on 20th June, 2019. In response to the latest publication, the RP received expression of interest from one Mr.Rajesh Laddha of Mumbai.

- 5) It is stated that in the 9th COC meeting held on 10.07.2019, the COC members discussed and approved the Information Memorandum, Evaluation Matrix and RFRP to be issued to prospective Resolution Applicants.
- 6) It is stated that in the 12th COC meeting held on 04.10.2019, upon presentation of Resolution Plan by Resolution Professional, the COC members evaluated the Resolution Plan submitted by Mr.Rajesh Laddha along with his affiliate (S.L.Febtech Private Limited) and after detailed deliberations, it has been decided to hold a meeting to vote on approval or otherwise of the resolution plan.
- 7) It is stated that in 13th COC Meeting held on 29.10.2019, the item of resolution plan was again discussed and put to vote among financial creditors along with other items specified in Regulation 39B, 39C and 39D of IBBI (Insolvency Process for Corporate Persons) Regulations, 2016.
- 8) It is stated that as per the Voting result, the resolution plan submitted by Mr.Rajesh Laddha has received 100% voting against the approval of plan, hence the plan has been rejected by COC. Since the Resolution Plan put to voting in compliance with I & B Code, 2016 and related Regulations was not approved by COC, this application has been filed to bring it to the notice of this Adjudicating Authority to initiate liquidation proceedings in the case of Corporate Debtor.
- 9) Further, the CoC in its 13th meeting held on 29.10.2019 has passed a resolution as under:

“RESOLVED THAT approval of members of Committee of Creditors be and is hereby accorded to recommend the Liquidation of Corporate Debtor viz Parikh Fabrics Private Limited in accordance with Sec.33(2) of the Code and

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related regulation due to non-approval of resolution plan with required voting under section 30(4) of I&B Code.”

10) Heard the RP and perused the records.

11) In view of the facts and circumstances recorded by RP in IA No.988 of 2019 filed in CP(IB) No. 12/10/HDB/2019, this Adjudicating Authority did not receive any Resolution Plan under Sub-Section (6) of Section 30 before the expiry of period for completion of CIRP envisaged U/s. 12(1) of the Code. Further the RP intimated this Adjudicating Authority of the decision of CoC taken unanimously to liquidate the Corporate Debtor in terms of provisions of Sec.33(2) of the Code. Therefore, 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:—

- (i) This Adjudicating Authority hereby order for Liquidation of M/s. Parikh Fabrics 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 Mr.G.Satyanarayana Murty who has given his consent letter dated 01.11.2019 to act as Liquidator in the present case. He 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.

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- (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., Mr.G.Satyanarayana Murty. In addition to this, the Company Liquidator shall exercise the powers and duties as enumerated in Sections 35 to 50, 52 to 54 of 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 he 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.

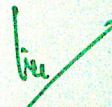
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- (x) The Company Liquidator shall be entitled to charge such fee for conducting the Liquidation proceedings in such a proportion to the value of the Liquidation estate assets as specified by the Board under Regulation 4(3) of IBBI (Liquidation Process) 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., Mr.G.Satyanarayana Murty for information and compliance.
- (xii)Registry is directed to furnish a copy of this order to IBBI for confirmation of appointment of Liquidator.
11. In terms of the above, IA No. 988 of 2019 filed in CP(IB) No. 12/10/HDB/2019 by the RP under Section 33(2) of the I&B Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz., M/s. Parikh Fabrics Private Limited, stands **disposed off**.


21.01.2020

Dr.BINOD KUMAR SINHA
MEMBER (TECHNICAL)



K.ANANTHA PADMANABAHA SWAMY
MEMBER (JUDICIAL)