NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COURT III

20. I.A. 1914/2020
I.A. 1903/2020
I.A. 745/2020
IN
C.P.(IB)-493(MB)/2018

CORAM: SHRI H. V. SUBBA RAO, MEMBER (J)
SMT. ANURADHA SANJAY BHATIA, MEMBER (T)

ORDER SHEET OF THE HEARING OF MUMBAI BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON **12.07.2022**

NAME OF THE PARTIES: Srinidhi Industries Ltd.

V/s.

Didwania Spinning Mills Pvt.Ltd

SECTION 9 OF INSOLVENCY AND BANKRUPTCY CODE, 2016

ORDER

Adv Ninad Deshpande for RP/Applicant is present through virtual hearing.

I.A. 1914/2020

The above Application is filed by Resolution Professional for liquidation of the Corporate Debtor.

Heard the Resolution Professional and the above Application is **allowed**. Detail order would follows:

I.A. 1903/2020

Applicant is directed to issue notice to the Respondents in above Application clearly intimating the next date of hearing and file service affidavit along with service of notice sent to the Respondent track report, postal receipt etc. at least two days before the next date of hearing.

<u>I.A. 745/2020</u>

Applicant is directed to issue notice to the Respondents in above Application clearly intimating the next date of hearing and file service affidavit along with service of notice sent to the Respondent track report, postal receipt etc. at least two days before the next date of hearing.

List this matter on **15.09.2022.**

Sd/-	Sd/-
ANURADHA SANJAY BHATIA	H. V. SUBBA RAO
Member (Technical)	Member (Judicial)

//RKS//

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COURT III

I.A. 1914 OF 2020

IN

CP (IB) – 493/IBC/MB/2018

Under Section 33 (1) of the Insolvency & Bankruptcy Code, 2016

Filed by

Mr. Shrikant Zawar

Resolution Professional for:

Didwania Spinning Mills Private Limited

...Applicant

In the matter of

Srinidhi Industries Limited

...Operational Creditor

Versus

Didwania Spinning Mills Private Limited

...Corporate Debtor

Order delivered on: 12.07.2022

Coram:

Hon'ble Shri H.V. Subba Rao, Member (Judicial)

Hon'ble Smt. Anuradha Sanjay Bhatia, Member (Technical)

Appearance:

For the Applicant/ Resolution Professional: Mr. Ninad Deshpande, Advocate

1. The above application I.A. No. 1914/2020 is filed by Resolution Professional, Mr. Shrikant Zawar (hereinafter referred to as the "Applicant") seeking liquidation of Didwania Spinning Mills Private Limited (hereinafter referred to as the "Corporate Debtor") under Section 33 (1) of the Insolvency and Bankruptcy Code, 2016 (hereinafter called as "the Code"), praying for following reliefs:

    a. *To approve the liquidation of the Corporate Debtor in terms of Section 33(1) of the Insolvency and Bankruptcy Code, 2016.*
    b. *To allow the Interlocutory Applications filed to be continued after the liquidation order has been passed.*
    c. *Such other or further orders, as this Hon'ble Tribunal may deem fit in the facts and circumstances of the case.*

2. The brief facts of the application are as follows:

    A. The Applicant mentions that this Tribunal vide its order dated 14.10.2019 in Company Petition No. 439 (IB)/MB/C-IV/2018 admitted the petition under Section 9 of the Code, filed by Srinidhi Industries Limited (hereinafter referred to as the "Operational Creditor") and Corporate Insolvency Resolution Process (hereinafter referred to as the "CIRP") was initiated against the Corporate Debtor. The Applicant was appointed as the Interim Resolution Professional of the Corporate Debtor by this Tribunal.
    B. It is further stated by the IRP that on 18.10.2019 a public announcement was made inviting claims from the Creditors of the Corporate Debtor in Free Press Journal (English) and Navshakti (Marathi).

C. On 13.11.2019, the 1st meeting of the Committee of Creditors (hereinafter referred to as the "CoC") took place. In the 2nd CoC Meeting, the Applicant was appointed as the RP by the CoC.

D. The Applicant further states that in the 4th CoC meeting dated 07.04.2020 the CoC with 100% voting decided to opt for Liquidation of the Corporate Debtor as well as appointing the Applicant as the Liquidator of the Corporate Debtor. The relevant extract of the resolution is reproduced herein below for ready reference:-

*"**RESOLVED THAT** in view of absence of receipt of any Resolution Plan within the prescribed period of 180 days allowed under IBC for Corporate Insolvency Resolution Process, the Committee of Creditors do hereby approve to refer the Corporate Debtor for the purpose of liquidation to the Hon'ble Adjudicating Authority.*

*"**RESOLVED FURTHER THAT** the resolution professional be hereby authorised to apply to the Hon'ble Adjudicating Authority under Section 33(1) for liquidation of the Company."*

3. After hearing the submissions made by the Counsel appearing for the Applicant and upon perusing the material available on record, it is observed from the minutes of the 4th CoC meeting that the CoC with 100% voting decided to liquidate the Corporate Debtor. The CoC has appointed the Applicant as Liquidator to carry on the process of Liquidation of the Corporate Debtor. The Applicant has agreed to act as Liquidator to carry on the process of Liquidation and given his consent to act as Liquidator. This bench, therefore allows the above Interlocutory Application Number 1914 of 2020 and passed the following:

ORDER

1. The above I.A. No. 1914/2020 is allowed and the Corporate Debtor Didwania Spinning Mills Private Limited is ordered to be liquidated.

   a. **Mr. Shrikant Zawar**, having Registration No. IBBI/IPA-001/IP-P00156/2017-2018/10325, having office at: 525, The Summit, Business Bay, Near Western Express Metro Station, Andheri (E), Mumbai 400093; Email – shrikantzawar1@yahoo.co.in, is hereby appointed as the Liquidator as provided under Section 34(1) of the Code.
   b. That the Liquidator for conduct of the liquidation proceedings would be entitled to a fee of Rs. 2,25,000/- for a period of 3 months.
   c. The Liquidator appointed in this case to initiate liquidation process as envisaged under Chapter-III of the Code by following the liquidation process given in the Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
   d. The Liquidator appointed under section 34(1) of the Code. All 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.
   e. That the Corporate Debtor to be liquidated in the manner as laid down in the Chapter by issuing Public Notice stating that the Corporate Debtor is in liquidation with a direction to the Liquidator to send this order to the ROC under which this Company has been registered.
   f. That the personnel of the Corporate Debtor are directed to extend all co-operation to the Liquidator as required by him

in managing the liquidation process of the Corporate Debtor.

g. That on having liquidation process initiated, subject to Section 52 of the Code, no suit or other legal proceeding shall be instituted by or against the Corporate Debtor save and except the liberty to the liquidator to institute suit or other legal proceeding on behalf of the Corporate Debtor with prior approval of this Adjudicating Authority.

h. This liquidation order shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor except to the extent of the business of the Corporate Debtor continued during the liquidation process by the Liquidator.

With the above directions, this application i.e. I.A. No. 1914 of 2020 is hereby allowed and disposed of.

Sd/-	**Sd/-**
Anuradha Sanjay Bhatia	**H.V. Subba Rao**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**