NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH

PRESENT: HON'BLE SHRIK ANANTHA PADMANABHA SWAMY – MEMBER JUDICIAL

PRESENT: HON'BLE SHRI BINOD KUMAR SINHA –MEMBER TECHNICIAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 17.10.2019 AT 10.30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA NO. 179/2019 CP(IB) NO. 348/9/HDB/2018
NAME OF THE COMPANY	BS Ltd
NAME OF THE PETITIONER(S)	Vedika Steels Pvt Ltd
NAME OF THE RESPONDENT(S)	BS Ltd
UNDER SECTION	9 OF IBC

Counsel for Petitioner(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature
V. Ravi kumar	Adv Counsel for R.P	9963067404	

Counsel for Respondent(s):

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

ORDER

IA No.179/2019

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

MEMBER TECHNICAL **MEMBER JUDICIAL**

Rk

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD

IA No.179/2019
In
CP(IB)No.348/9/HDB/2018

In the matter of:-

M/s. Vedika Steels Private Limited
Plot No.1, 4th Floor,
SRR Arcade, Ravi Co-operative Housing Society,
Tirumalgherry X Roads,
Secunderabad – 500 015.
(Rep. by its Resolution Professional, Mr.Pavan Kankani)

...Applicant/Corporate Debtor

Order pronounced on: 17.10.2019

Coram: MEMBER (JUDICIAL) K. ANANTHA PADMANABHA SWAMY
MEMBER (TECHNICAL) Dr. BINOD KUMAR SINHA

Parties/Counsel Present:

Mr. Pavan Kankani, RP

Per: K. ANANTHA PADMANABHA SWAMY, MEMBER JUDICIAL

ORDER

1. The present Application bearing IA No.179/2019 in CP(IB)No.348/9/HDB/2018 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 the RP as the Liquidator.
2. It is stated that CP(IB)No.348/9/HDB/2018 is filed by the Operational Creditor M/s. BS Limited to initiate CIRP in terms of Sec.9 of I&B Code.

4

3. It is stated that this Adjudicating Authority admitted the above petition vide an order dated 01.11.2018 wherein, Applicant was appointed as an IRP.
4. It is stated that in the 1st CoC meeting held on 26.11.2018 the IRP was appointed as RP.
5. In the 2nd CoC meeting held on 11.01.2019, the members unanimously approved the format for Invitation of Expression of Interest (EOI) along with the criteria for Prospective Resolution Applicant and the format in Form – G for the purpose of publishing in the Newspapers. The same was published in Financial Express and Nava Telangana. The Applicant stated that he had submitted the progress reports from time to time and the last progress report was submitted by him vide Memo dated 29.01.2018, wherein RP has also submitted his Report on Reconstitution of CoC along with his progress report.
6. During the 3rd CoC meeting held on 08.02.2019, the members have discussed in detail the prospects of the Company and the scope of revival of the same as a going concern in one or the other way. It is further submitted that, having not received any Expression of Interest so far, and considering the facts that:
    i. The Corporate Debtor being a Trading Entity which is out of business for more than 2 years (since November, 2016), the chances of revival are remote and negligible;
    ii. All its assets being in the form of Actionable claims (Trade Receivables and Loans and Advances), and there being no physical assets with the Corporate Debtor, there is a negligible chance for anyone to show interest in the revival of Corporate Debtor;

4

the CoC has decided and resolved unanimously to recommend the Liquidation of Corporate Debtor as under:

"Resolved that approval of CoC be and is hereby granted for making application before the Hon'ble National Company Law Tribunal, Hyderabad Bench, for passing appropriate Orders u/s 33(1)(a) and u/s 34(1) of Insolvency and Bankruptcy Code 2016."

"Further resolved that Mr.Pavan Kankani, Resolution Professional be is hereby authorised to make an application, sign, execute all such documents and papers, appoint professionals to represent before the Hon'ble National company Law Tribunal and do all such acts and deeds as may be required to give effect to the above resolution. "

7. Heard both sides and perused the records.

8. In view of the facts and circumstances recorded by RP in IA No.179 of 2019 filed in CP(IB) No. 348/9/HDB/2018, this Adjudicating Authority did not receive any Resolution Plan under Sub-Section (6) of Section 30. 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. Vedika Steels 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. Pavan Kankani who has given his consent letter dated 21.02.2019 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;

4

(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., Mr. Pavan Kankani. 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 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.

(x) 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. Pavan Kankani for information and compliance.

(xi) Registry is directed to furnish a copy of this order to IBBI for confirmation of appointment of Liquidator.

(xii) In terms of the above, IA No. 179 of 2019 filed in CP(IB) No. 348/9/HDB/2018 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. Vedika Steels Private Limited, stands **disposed off**.

17.10.19

Dr.BINOD KUMAR SINHA
MEMBER (TECHNICAL)

K.ANANTHA PADMANABAHA SWAMY
MEMBER (JUDICIAL)

Alekhya