


**NATIONAL COMPANY LAW TRIBUNAL  
AMARAVATHI BENCH**

**PRESENT: HON'BLE JANAB MOHAMMED AJMAL - MEMBER JUDICIAL  
ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 26.08.2019 AT 10.30 AM**

TRANSFER PETITION NO.	IA No.1/2019(AMR) inTCP(IB) No.30/7/AMR/2019
COMPANY PETITION/APPLICATION NO.	CP(IB) No.225/7/HDB/2018
NAME OF THE COMPANY	Shri Maruthi Textiles Ltd
NAME OF THE PETITIONER(S)	International asset Reconstruction Company Pvt Ltd
NAME OF THE RESPONDENTS(S)	Shri Maruthi Textiles Ltd
UNDER SECTION	7 of IBC

Counsel for Petitioner(s):

Name of the Counsel(s)	Designation	E-Mail & Telephone No.	Signature
VVSN Raju	Advocates	9866446467	
K. Sheeya		889 7122671	

Counsel for Respondent(s):

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

**ORDER**

IA No.1/2019 is allowed vide separate sheets. Order for liquidation is passed.

  
**MEMBER JUDICIAL**

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AMARAVATI BENCH**

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**IA No. 1 /2019/AMR  
In TCP (IB) No. 30/7/AMR/2019  
[CP (IB) No. 225/7/HDB/2018]**

**Under Section 33 and 34 of the Insolvency and Bankruptcy Code, 2016**

**In the matter of Shri Maruthi Textiles Limited**

Mr. Narender Gandhari  
Resolution Professional of  
M/s Shri Maruthi Textiles Limited  
Railway Station Road,  
Keelapattu Nagari, Chitoor District,  
Andhra Pradesh – 517 590.

...Applicant

**Date of Order: 26.08.2019**

**CORAM:**

**Hon'ble Janab Mohammed Ajmal, Member Judicial**

**Appearance:**

For Applicant: Mr. V. V. S. N. Raju, Mr A. B. N. Raj, Ms. A. Sravanthi and Mr. P. Pavan Kumar Rao, Advocates.

**ORDER**

1. The present Application is filed by Resolution Professional of the Company i.e., Shri Maruthi Textiles Limited (herein after referred as 'SMTL'), u/ss 33 and 34 of the Insolvency and Bankruptcy Board, 2016 (in short IBC, 2016) inter-alia praying to initiate liquidation of the Company.
2. The brief facts leading to the applications may be stated as follows:
  - i) The Company Petition filed by a Financial Creditor of SMTL was admitted vide order dated 07.02.2019 passed by the NCLT, Hyderabad Bench. It appointed Mr. Narendra Gandhari as

*Mr. Ajmal*  
*26/8/19*

Interim Resolution Professional (IRP) to initiate Corporate Insolvency Resolution Process (CIRP). The IRP made a Public Announcement on 09.02.2019 in Financial Express and Andhra Prabha newspapers, intimating the commencement of CIRP of SMTL, inviting the creditors to submit their claims. Subsequently the IRP constituted the Committee of Creditors (CoC) on 28.02.2019 with the following members and their respective voting shares.

S.No.	Particulars of CoC Members	Percentage of Voting
1	International Asset Reconstruction Company Private Limited (Petitioner Company)	45.84
2	Pridhvi Asset Reconstruction and Securitization Company Limited	17.11
3	State Bank of India	37.05
	Total	100.00

The CoC in its first meeting held on 07.03.2019, appointed the IRP as the Resolution Professional (RP).

- ii) The CoC in their Meeting on 22.04.2019 resolved to call for Expression of Interest (EoI) from prospective Resolution Applicants for revival of the beleaguered SMTL, as required under Section 25 (2) (b) of the IBC, 2016.

The RP as part of the CIRP published advertisements in two dailies namely Financial Express and Andhra Prabha on 23.04.2019 calling for EoI inviting prospective resolution applicants to submit Resolution Plans, if any, on or before 26.02.2019.

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In response to the publication, a prospective resolution applicant one M/s Hyderabad Institute of Computers Private Limited submitted an application evincing interest in submission of Resolution Plan. The prospective Resolution Applicant requested three (3) weeks time to study the viability of the Corporate Debtor for submission of Resolution Plan, which exceeded the time period expiring on 22.06.2019, the last date for filing Resolution Plan. The CoC, in its third meeting held on 01.07.2019 extended the last date of submission of Resolution Plan to 13.07.2019. However, the prospective Resolution Applicant did not adhere to last date for submission of Resolution Plan and did not submit any Resolution Plan. Subsequently, the CoC, in its fourth meeting held on 19.07.2019, without a Resolution Plan duly resolved by 100% votes in terms of section 33(2) of the Code to liquidate SMTL. It is further resolved to appoint the present RP as the liquidator in compliance with Section 34(1) of the Code. The proposed liquidator on 22.07.2019 has given his written consent thereto. The stipulated time period of 270 days is going to lapse on 03.11.2019. The CoC in the absence of any Resolution Plan, with 100% voting share resolved in favour of liquidation of the Corporate Debtor in terms of Section 33 of IBC 2016. In the absence of any Resolution Plan the CoC had no option left than to vote accordingly. The CoC also resolved to appoint the Resolution Professional as the proposed liquidator since he is well acquainted with the facts and circumstances of the case of the Corporate Debtor/SMTL. The Resolution Professional, as the proposed Liquidator, have given his written consent on 22.07.2019. Since the prescribed time is going to expire


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shortly and there is no chance of revival of the company the Resolution Professional came up with the present Application.

3. I have heard the counsel for the Applicant and perused the records.
4. In view of the facts and circumstances enumerated in the present application and in the absence of any Resolution Plan under Section 30 (6) of the IBC 2016 this Authority has no other option than to order liquidation of the Corporate Debtor. The Application is accordingly allowed with the following directions:
  - a) The Corporate Debtor M/s Shri Maruthi Textiles Limited shall be liquidated in the manner as laid down in Chapter-III of the IBC 2016.
  - b) The present Applicant Mr. Narender Gandhari, presently RP of the SMTL, is appointed as the Liquidator.
  - c) He shall issue public announcement stating that Corporate Debtor is in liquidation.
  - d) The Moratorium declared under Section 14 of the IBC 2016 shall cease to operate here from.
  - e) Subject to section 52 of the IBC 2016 no suit or other legal proceedings shall be instituted by or against the Corporate Debtor. This shall however not apply to legal proceedings in relation to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
  - f) 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.

*9/1/2019*  
*2019/19*

- g) All powers of the Board of Directors, Key Managerial Personnel and partners of the Corporate Debtor shall cease to have effect and shall be vested in the Liquidator.
- h) The liquidator shall exercise the powers and duties as envisaged under Sections 35 to 50 and 52 to 54 of the IBC, 2016 read with Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations 2016.
- i) Personnel connected with the Corporate Debtor shall extend all assistance and cooperation to the Liquidator as will be required for managing its affairs.
- j) The Liquidator shall be entitled to such fees as may be specified by the Board in terms of Section 34(8) of the IBC 2016.
- k) Copy of the Order shall be furnished to the IBBI, to the Regional Director (South Eastern Region), Ministry of Corporate Affairs, Registrar of Companies, Official Liquidator, the Registered Office of the Corporate Debtor and the Liquidator.
- l) 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.

  
**MOHAMMED AJMAL**  
**MEMBER JUDICIAL**