S.No.32

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1

ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
26-05-2023 AT **10:30 AM**

IA (IBC) 962 & 1414/2022 & IA (IBC) 682/2023 in
Company Petition IB/157/2021
u/s. 9 of IBC, 2016

IN THE MATTER OF:
Mr. Aeruva Naga Mallikarjuna **…Operational Creditor**

VS

Icoat Projects Pvt Ltd **…Corporate Debtor**

C O R A M:-
DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)

O R D E R

IA 682/2023

Petition is allowed, the liquidation process against the Corporate Debtor is hereby ordered as per the terms mentioned in the order.

IA 1414/2022

Both side counsels present, matter adjourned to 15.06.2023.

IA 962/2022

No Representation for the Respondents. Ld. Counsel representing the Resolution Professional Petition alone present. Matter adjourned to 15.06.2023.

SD/-
MEMBER (T)

SD/-
MEMBER (J)

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NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH-1

I.A. No. 682 OF 2023
In CP(IB) No.157/09/HDB/2021

Under Section 33 (1) of Insolvency and Bankruptcy Code, 2016.

Between

Aeruva Naga Mallikarjuna

… Operational Creditor

Versus

ICOAT Projects Private Limited
H.No.1-9-1113/29/1/4, 1st floor,
Dayananda Nagar VST Road,
Vidya Nagar Hyderabad - 500044

… Corporate Debtor

FILED BY:
Mr. Murali Mohan Chevuturi,
Resolution Professional of ICOAT Projects Private Limited,
Having its office at: H.No.1-9-1113/29/1/4, 1t floor,
Dayananda Nagar VST Road,
Vidya Nagar Hydearabad-500044

…Applicant/Resolution Professional of Corporate Debtor

Date of order: 26.05.2023

Coram:

Dr. Venkata Ramakrishna Badarinath Nandula, Hon’ble Member (Judicial)
Sh. Charan Singh, Hon’ble Member (Technical)

Appearance:

For Applicant/Resolution Professional: Mr. Varun Ambati, Advocate

Resolution Professional: Mr. Murali Mohan Chevuturi.

PER: BENCH

ORDER

1. This is a petition filed by the Resolution professional under regulation 33(1) of the Insolvency and Bankruptcy Code, 2016 seeking the relief as below:
    - To direct for proceeding with the Liquidation process of the Corporate Debtor i.e., ICOAT Projects Private Limited.
    - To appoint the current Resolution Professional i.e., Mr. Murali Mohan Chevuturi having IBBI Reg. No. IBBI/IPA-003/00307/2020-2021/13464, as the Liquidator of the Corporate Debtor i.e., ICOAT Projects Private Limited.

2. **The averments in brief of the Application are as follows:**

2.1 It is averred that this Tribunal vide order dated 23.03.2022 ("CIRP Order"), had allowed the Company Petition bearing CP (IB) No.157/2021 under section 9 of the Insolvency and Bankruptcy Code 2016 ("IBC") by admitting the Corporate Debtor i.e., ICOAT Projects Pvt Ltd into Corporate Insolvency Resolution Process.

2.2 It is averred that the Operational Creditor is failed to name any one as the Interim Resolution Professional and requested this Tribunal to appoint a Resolution Professional for initiation of CIRP against the

Corporate Debtor. In accordance with section 16(3)(a) of IBC this Tribunal was pleased to appoint the Applicant i.e, Mr. Murali Mohan Chevuturi as the Interim Resolution Professional in the present Company Petition bearing CP(IB) No.157/2021 and the applicant made public announcement dated 30.04.2022 inviting for submissions and verification of claims so received, had constituted the Committee of Creditors ("CoC") on 20.05.2022. On 13.07.2022 in the 3rd CoC meeting the appointment of Applicant as the Resolution Professional to pursue the CIRP Proceedings.

2.3 On 14.07.2022 the applicant issued Form G inviting Expression of Interest (EOI), due to lack of sufficient EOIs, upon acquiring the permission of the CoC the applicant re-issued the Form G on 06.08.2022 . In view of the same, on 21.08.2022 a few Prospective Resolution Applicants approached the applicant and the same was informed to CoC on 8th CoC meeting.

2.4 It is averred that the Resolution Professional appraised the members of the CoC that the CIRP period of 180 days expired on 25.10.2022, as the CoC members were under process of lone Resolution Plan submitted one of the interested parties and also in view of the IA pending before this Tribunal and the members of the CoC with voting rights 100% approved for extension of CIRP period. The Resolution Professional approached this Tribunal vide IA No.1263/2022 for extension of CIRP period and this Tribunal pleased to grant an extension of CIRP period for 90 days with effect from 25.10.2022.

2.5 It is averred that the said Resolution Plan received from Shri Nimmagadda Naveen Krishna, Prospective Resolution Applicant,(PRA) which was submitted before the Coc was not fruitful despite negotiations with PRA. With a One Time Settlement proposal the members of the suspended board of the Corporate Debtor approached Union Bank of India with 76.19% of voting shares with an amount of Rs.4.60 Crore and same was informed to be in active consideration by the Financial Creditor and the Resolution Profession approached this Tribunal for extension of CIRP period and this Tribunal vide IA No.180/2023 grant to extend the CIRP period by 30 days with effect from 22.01.2023.

2.6 It is averred that, on 13.02.2023 in the 11th CoC meeting the Resolution Professional requested the CoC either to conclude OTS negotiations between the parties or to approve the Resolution Plan submitted before them. The Resolution Applicant (PRA) was unwilling to improve the offer submitted before the CoC, UBI having 76.19% voting right and found it unacceptable and decided to pursue the OTS proposal.

2.7 As the CIRP period was concluding on 21.02.2023 the member of UBI state that the Sanctioning Authority was considering the OTS and the meeting scheduled on 24.02.2023 and directed the RP to seek an approval from the Adjudicating Authority for extension of the CIRP period for another period of 30 days i.e., from 21.02.2023, which was allowed on 24.02.2023.*" on condition that no further extension will be allowed. If CIRP is not completed within the time stipulated, the Committee of Creditors shall take steps in accordance with the provisions of the I&B Code, 2016".*

2.8 It is averred that, on 16.03.2023 in the 12th CoC meeting an agenda was submitted by the Resolution Professional to proceed with the provisions under the I&B Code, for proceeding with the Liquidation process of the Corporate Debtor as the CIRP period of 330 days were to expire by 22.03.2023. However, Union Bank of India with 76.19% of voting share rejected the agenda for proceeding with the liquidation process.

2.9 On 10.04.2023 in the 13th CoC meeting the Resolution Professional submitted agenda for considering to proceed with the liquidation process as the period of CIRP of 330 days has expired. The members of the CoC were requested to vote on the agenda items relating to liquidation process, after receiving the copy of minutes of the meeting and upon the issue of the mail to the members of CoC.

2.10 It is averred that, the State Bank of India having a voting share of 23.81% approved to proceed with the liquidation process, inter alia voted in favour of appointing the present Resolution Professional as the Liquidator. The Union Bank of India, having 76.19% of voting share "abstained" from voting for approval of liquidation process.

2.11 It is further averred that the Resolution Professional, Mr. Murali Mohan Chevuturi having IBBI Regd.No. IBBI/IPA-003/00307/2020-2021/13464, being eligible to be appointed as liquidator, is willing to continue as liquidator and expressed his consent and submitted a letter of written consent for the kind perusal of this Tribunal.

ORDER

A. This Adjudicating Authority hereby orders liquidation of the Corporate Debtor, i.e., ICOAT Projects Private Limited, which shall be conducted in the manner as laid down in Chapter III of the Code;

B. Mr. Murali Mohan Chevuturi having IP registration no. IBBI/IPA-003/00307/2020-2021/13464, is hereby appointed as Liquidator;

C. He shall issue public announcement stating that the Corporate Debtor is in liquidation in terms of Regulation 12 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

D. The moratorium declared under Section 14 of the Code, shall cease to have effect from the date of the order of liquidation;

E. Subject to Section 52 of the Code, 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. All the 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.

G. The Liquidator shall exercise the powers and perform duties as envisaged under Sections 35 to 50 and 52 to 54 of the Code read with the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

H. Personnel connected with the Corporate Debtor shall extend all assistance and co-operation to the Liquidator as would be required for managing its affairs.

I. The Liquidator shall be entitled to such fees as may be specified by the Board in terms of Section 34(8) of the Code.

J. The Applicant is directed to serve the copy of this order to Registrar of Companies, Regional Director, Official Liquidator of Hyderabad, Registered office of the Corporate Debtor for information and compliance.

-SD-	-SD-
Charan Singh Member Technical	Dr. Venkata Ramakrishna Badarinath Nandula Member Judicial

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