

NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

COURT III

7.I.A. 3916/2022

IN

C.P.(IB)-4277(MB)/2018

CORAM: SH. H. V. SUBBA RAO, MEMBER (J)
MS. MADHU SINHA, MEMBER (T)

ORDER SHEET OF THE HEARING OF MUMBAI BENCH OF THE NATIONAL
COMPANY LAW TRIBUNAL ON **02.01.2023**

NAME OF THE PARTIES: Phoenix Arc Pvt Ltd

V/s.

Ajanta Paper & General Products Ltd & Ors.

SECTION 7 OF INSOLVENCY AND BANKRUPTCY CODE, 2016

ORDER

Ms. Vidhee Kothari i/b Apex Law Partners, counsel for the Applicant is
present through virtual hearing.

I.A. 3916/2022

Heard the counsel appearing for the Resolution Professional and the above
Interlocutory Application **is allowed. Detail order would follow:**

Registry may list the main Company Petition as and when fresh application is
filed.

Sd/-
MADHU SINHA
Member (Technical)
//SGP//

Sd/-
H. V. SUBBA RAO
Member (Judicial)

**IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH,
COURT-III**

IA. No. 3916 of 2022

IN

C.P.No.(IB)4277(MB) of 2018

Under Section 33(3), r/w 14 of Insolvency
& Bankruptcy Code, 2016

In the matter of

Ajanta Paper & General Products Ltd.

.... CORPORATE DEBTOR

I. A. No. 3916 of 2022

Mr. Raj Kumar Dad

.... Applicant/Liquidator

Order delivered on 02.01.2023

Coram:

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

Hon'ble Miss. Madhu Sinha, Member (Technical)

For the Applicant: Adv. Vidhee Kothari M/s Apex Law Partners

Mr. Raj Kumar Dad, RP

1. The above application I.A. No. 3916/2022 is filed by Resolution Professional, Mr. Raj Kumar Dad (hereinafter referred to as the "Applicant") seeking liquidation of **Ajanta Paper & General Products Ltd.** (hereinafter referred to as the "Corporate Debtor") under Section 33(3) of the Insolvency and Bankruptcy Code, 2016 (hereinafter called as "the Code"), praying for the following reliefs:

- a. *The present application may be allowed.*
- b. *The liquidation process may be initiated under section 33(2) of Insolvency and Bankruptcy Code 2016 against the Corporate Debtor and the Applicant may be appointed as the Liquidator of the Corporate Debtor.*
- c. *Any such order in the favour of justice and equity.*

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

- A. The present Application has been filed by Mr. Raj Kumar Dad (IP Registration No. IBBI/IPA-001/IP-P00537/2017-18/10962, the Resolution Professional of Ajanta Paper & General Products Ltd. (“Corporate Debtor”) under Section 33(3) of the Insolvency and Bankruptcy code,2016 (“the code”), in order to bring to the kind notice of this Hon’ble Tribunal that the Committee of Creditors (“COC”) of the Corporate Debtor, which consists of the financial creditor, has resolved to liquidate the Corporate Debtor.
- B. On 02.11.2021, in the first meeting of the Committee of Creditors (hereinafter referred to as the “CoC”), where a resolution was made to appoint Raj Kumar Dad as the Resolution Professional and thereafter consented to be the Liquidator.
- C. On 20.12.2021 and on 04.03.2022, Form G was issued for two times for invitation of expression of interests by the Resolution Professional in two Newspapers i.e The Free Press Journal in English and Navshakti in Marathi (Mumbai Edition).
- D. On 19.04.2022 this Bench passed an order granting extension of 90 days of the CIRP period.

- E. The Applicant further submitted that the RP received only one Resolution Plan, despite the applicant being in consultation with the COC further extended the timeline for submission of the resolution plan for seven days up to 24.06.2022.
- F. Further on 30.06.2022 in the 6th CoC meeting held for reviewing the Resolution Plan which was submitted by Padmanabh Trading Pvt. Ltd. to the Resolution Professional, where it was decided to provide further opportunity to the PRAs and allow them to reconsider and submit their Resolution Plans. The plan to extend the CIRP period was also passed with a 100% majority.
- G. On 18.10.2022, the Applicant had received only one Resolution Plan from Padmanabh Trading Pvt. Ltd. which was rejected by the CoC members with 100% voting against the Resolution Plan.
- H. In the 11th CoC meeting on 25.11.2022, **Resolution Item 1:** To approve the liquidation of the Corporate Debtor. As the Resolution Plan was rejected by the CoC members, therefore, in continuation to the discussion in the 11th meeting of Committee of Creditors on 16.11.2022 the members approved to liquidate the Corporate Debtor.

Sr. No.	Name of Member	Percentage	E-Voting		
			For	Against	Abstain
1	Phoenix ARC Private Limited Trustee of Phoenix Trust FY 15-14	10.00%	10.00%		
2	Phoenix ARC Private Limited Trustee of Phoenix Trust CT-01	74.00%	74.00%		

3	Gujarat Industrial Investment Corporation Limited	16.00%	16.00%		
	Total	100.00%	100.00%		

Result: Based on the aforesaid results, The RP reported that this Resolution as contained in the Item No.1 has considered with 100.00% Positive voting, and 00.00% Negative Voting and 00.00% abstain from voting hence it has passed.

Resolution Item 2: To approve the appointment of Mr. Raj Kumar Dad as the Liquidator

To take note and approve the appointment of Mr. Raj Kumar Dad (Registration No. IBBI/IPA-001/IP-P00537/2017-18/10962), Resolution Professional of Ajanta Paper and General Products Limited as the Liquidator of the Corporate Debtor.

Result: Based on the aforesaid results, I report that this Resolution as contained in the Item No.2 has considered with 100.00% Positive voting, and 00.00% abstain from voting hence it has passed.

- I. The Applicant further under Resolution Item 3 of the 11th CoC meeting was held that the amount required to meet the liquidation costs from the liquid asset available of the corporate debtor, according to Regulation 39B of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons), 2016. The Liquidation Costs as tabulated by the Applicant being a Total of Rs 59,76,000 and it was resolved and approved with 100 % voting in the meeting.

The CoC members in the same meeting passed a resolution for liquidator's fees i.e. the liquidators fees shall be as per the chart given in Regulation 4(2) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations,2016, subject to minimum fees of Rs. 2,50,000/- plus taxes for the entire liquidation process.

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 11th CoC meeting that the CoC has unanimously 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 3916 of 2022 and passed the following:

ORDER

1. The above **I.A. No. 3916/2022** is Allowed and the Corporate Debtor Ajanta Paper and General Products Ltd is ordered to be liquidated as a Going Concern.
 - a. **Mr. Raj Kumar Dad**, having Registration No. IBBI/IPA-001/IP-P00537/2017-18/10962 is hereby appointed as the Liquidator as provided under Section 34(1) of the Code.
 - b. That the Liquidator for the conduct of Liquidation proceedings would be entitled to a remuneration shall be as per the chart given in Regulation 4(2) of the IBBI (Liquidation Process) Regulation 2016, subject to

minimum fees of RS. 2.50 lakhs plus taxes for the entire liquidation process.

- 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. Will have 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. All the powers of the Board of Directors, key managerial persons, the partners of the Corporate Debtor hereafter ceased to exist. All these powers henceforth vest with the Liquidator.
- g. 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.
- h. 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.

- i. 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. 3916 of 2022 is hereby allowed and disposed of.

Sd/-

Madhu Sinha
MEMBER (TECHNICAL)

Sd/-

H.V. Subba Rao
MEMBER (JUDICIAL)