

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
SPECIAL BENCH (Video Conference)**

CORAM: HON'BLE SHRI K ANANTHA PADMANABHA SWAMY – MEMBER JUDICIAL

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW
TRIBUNAL, HYDERABAD BENCH, HELD ON 03.11.2020 AT 11:00 AM THROUGH VIDEO CONFERENCE**

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| TRANSFER PETITION NO. | |
| COMPANY PETITION/APPLICATION NO. | IA No.746/2020 in CP(IB) No.356 /7/HDB/2019 |
| NAME OF THE COMPANY | RCI Cash Management Pvt Ltd |
| NAME OF THE PETITIONER(S) | Pashupati Mechandise Pvt Ltd |
| NAME OF THE RESPONDENT(S) | RCI Cash Management Pvt Ltd |
| UNDER SECTION | 7 of IBC |

Counsel for Petitioner(s):

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

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

1. Matter taken up for pronouncement of Order in IA No.746/2020 in CP(IB)No.356/7/HDB/2019 through Video Conference in view of Notice of the Headquarters dated 17.04.2020 read with Notice dated 03.05.2020.
2. Mr. Anusha Moturi, counsel for RP and Ms. Sarvani Desiraju, counsel for CoC appeared through video conference.
3. Order pronounced vide separate order. IA No.746/2020 is allowed. Accordingly, IA No.747/2020 stands closed.


MEMBER JUDICIAL

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD**

**IA No.746/2020
In
CP(IB)No.356/7/HDB/2019**

In the matter of:

M/s. RCI Cash Management Services Private Limited
RCI House, 1st Floor,
Survey No.83, Near Kompally,
Railway Bridge, Kompally,
Secunderabad, Telangana - 500014
(Rep. by its RP, Mr. Pradeep Kumar Sravanam)

...Applicant/
Corporate Debtor

Order pronounced on: 03.11.2020

Parties/ Counsels Present:-

Mr.Pradeep Kumar Sravanam, RP
Ms. Anusha Moturi, Counsel for RP
Mr. Shravani Desiraju, Counsel for Financial Creditor

Per: K. Anantha Padmanabha Swamy, Member Judicial

ORDER

1. The present Application bearing IA No. 746/2020 in CP(IB)No.356/7/HDB/2019 is filed by Resolution Professional U/s. 33 of the IB Code, 2016 inter-alia seeking following prayers:-
 - a. Pass an order initiating liquidation proceeding in respect of RCI Cash Management Services Private Limited, the Corporate Debtor herein;
 - b. Direct issuance of the public announcement stating that the Corporate Debtor is under liquidation;
 - c. Direct that the copy of the order be sent to the authority with which the Corporate Debtor is registered;



- d. Confirm the appointment of Mr. Pradeep Kumar Sravanam, the Applicant herein, as the Liquidator in respect of the Corporate Debtor Company; and
- e. Pass such other order or orders as it deems fit in the circumstances of this Petition.

2. Brief facts as stated by the counsel for the Applicant are as follows:-

- a. That M/s. Pashupati Merchandise Private Limited (Financial Creditor) filed CP(IB)No.356/7/HDB/2019 against M/s. RCI Cash Management Services Private Limited (Corporate Debtor) under Section 7 of the IB Code and vide order dated 27.09.2019, this Adjudicating Authority admitted the said Application and Dr. K. Lakshmi Narasimha was appointed as the Interim Resolution Professional.
- b. That in the 1st CoC meeting, held on 23.11.2019, the members of CoC has passed the resolution appointing Mr. Pradeep Kumar Sravanam as the Resolution Professional. Subsequently, this Adjudicating Authority vide orders dated 02.12.2019 and 06.12.2019 has confirmed the Applicant herein as Resolution Professional in respect of the Corporate Debtor.
- c. That in the 2nd CoC meeting, held on 23.12.2019, it was resolved and decided to appoint Mr. Vinay Kumar Mahipal, Chartered Accountant for compilation of accounts of the Corporate Debtor from 2015-16 upto 30.11.2019 and for the FY 2019 – 2020.
- d. That the 3rd CoC meeting, held on 12.03.2020, upon verifying the compiled unaudited data of the Financial Statements, the following was observed by the CoC:-
 - i. The movable assets of the Corporate Debtor are situated at various places across the country and the condition or details

of these assets such as cash vans or vehicles are unknown even to the Director.

- ii. There are certain insurance claims receivable by the Corporate Debtor, which are to be followed up.
 - iii. The Financial Creditor is unable to incur expenses at this juncture to get valuation of the assets of the Corporate Debtor.
 - iv. There appears no possibility of reviving the Company and no operations have been conducted by it since 2015.
- e. That in the 3rd CoC meeting dated 12.03.2020, CoC with 100% votes has resolved for liquidation of the Corporate Debtor and has also resolved to continue the RP to act as 'Liquidator' of the Company as per the terms mentioned therein.
- f. That CoC in its 3rd meeting held on 12.03.2020 has resolved as under:-

"a. Resolved to recommend for Liquidation of the Company under Section 33(2) IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 of Insolvency and directed the Resolution Professional to place before the Adjudicating Authority for decision.

b. Further resolved that to continue the Pradeep Kumar Sravanam, the present Resolution Professional, to act as "Liquidator" of the company and written consent of the Resolution Professional has been obtained."

3. Heard the RP and perused the records.
4. In view of the facts and circumstances as recorded by RP in IA No. 746 of 2020 filed in CP(IB) No. 356/7/HDB/2019, this Adjudicating Authority did not receive any Resolution Plan under Sub-Section (6) of Section 30 of the I&B Code, 2016, this Adjudicating Authority deems it proper to allow the Application bearing IA No. 746/2020 as prayed for. Accordingly, 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, I proceed to pass Order as follows:—

- (i) This Adjudicating Authority hereby order for Liquidation of M/s. RCI Cash Management Services 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. Pradeep Kumar Sravanam who has given his consent dated 12.03.2020 to act as Liquidator in the present case. He is further directed to file its Authorisation for Assignment (AoA) within 7 days from date of this order. 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;
- (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) I 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. Pradeep Kumar Sravanam. 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 Liquidator shall keep in view the provisions of Regulation 32A of Insolvency and Bankruptcy Board Of India (Liquidation Process) Regulations, 2016 and shall endeavour to first sell the Corporate Debtor or its business as going concern. However, if he is unable to sell the Corporate Debtor or its business within 90 days from liquidation commencement date, Liquidator shall proceed to sell the assets of the Corporate Debtor under clauses (a) to (d) of Regulation 32 of Insolvency and Bankruptcy Board Of India (Liquidation Process) Regulations, 2016.
- (x) 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.
- (xi) 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. Pradeep Kumar Sravanam for information and compliance.

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

5. It is seen that an Application bearing IA No.747/2020 is filed with similar prayer, seeking Liquidation of the corporate Debtor. In view of the instant Application, the said IA No. 747/2020 stands closed as infructuous.

6. Accordingly, Applications bearing IA No. 746/2020 stands disposed off.



K.ANANTHA PADMANABHA SWAMY
MEMBER JUDICIAL