

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO: II**

Video Conference

**CORAM: HON'BLE VENKATA RAMAKRISHNA BADARINATH NANDULA-MEMBER JUDICIAL
HON'BLE DR.BINOD KUMAR SINHA-MEMBER TECHNICAL**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 26.10.2021 AT 11:30 AM THROUGH VIDEO CONFERENCE**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA (IBC)/238/2021 in CP (IB) No.234/7 /HDB/2020
NAME OF THE COMPANY	Velugu Engineering and Enterprises (P) Ltd
NAME OF THE PETITIONER(S)	Bhagyanagar Investments and Trading (P) Ltd
NAME OF THE RESPONDENT(S)	Velugu Engineering and Enterprises (P) Ltd
UNDER SECTION	7 of IBC

Counsel for Petitioner(s):

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


Counsel for Respondent(s):

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

ORDER

IA (IBC) No.238 of 2021 filed for liquidation is allowed. Order is passed vide separate order.


MEMBER (TECHNICAL)


MEMBER (JUDICIAL)

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

IA No.238 of 2021
In CP (IB) No.234/07/HDB/2020

In the matter of
**M/s. VELUGU ENGINEERING AND ENTERPRISES
PRIVATE LIMITED**

Mr. CS Bhaskar B
Interim Resolution Professional of
M/s Velugu engineering and Enterprises Private Ltd.,
No.27/9, Nivedh Vikas, Pankaja Mill Road,
Puliyakulam, Coimbatore 641 045.

...Applicant /
Interim Resolution Professional

Date of Order: 26.10.2021

**Coram: Dr. Venkata Ramakrishna Badarinath Nandula, Member Judicial
Dr. Binod Kumar Sinha, Member Technical**

Parties/Counsel(s) Presents:

For the Applicant : Mr. Mayur Mundra, Advocate

[Per Bench]

ORDER

1. The present Application bearing IA No. 238/2021 in CP(IB)No.234/7/HDB/2020 U/s.33(1)(A), 33(2) & 34 of the I&B Code, 2016 read with Rule 11 of NCLT Rules, 2016 is filed by Interim Resolution Professional, *inter-alia*, to:-

- a. Pass an order requiring the Corporate Debtor to be liquidated in the manner as laid down in Sec.33(1)(a) of Chapter III of IBC, 2016;
- b. Pass an order by appointing Shri Bhaskar B., Resolution Professional (IBBI/IPA-002/IP-P00644/2018-19/12024) as

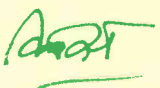
Liquidator for administering the Liquidation Process of the Corporate Debtor;

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

- a. That the Company Petition for initiation of Corporate Insolvency Resolution Process (CIRP) which was filed by the Financial Creditor namely M/s Bhagyanagar Investments and Trading Pvt Ltd, under section 7 of the IBC, 2016 against the Corporate Debtor has been admitted by this bench on 25.03.2021, whereby moratorium has been declared and the Applicant herein has been appointed as the Interim Resolution Professional, (for short "IRP").
- b. That the IRP had in accordance with the IBC, 2016 and allied regulation effected public announcement and invited claims from all creditors on 30th March, 2021 in one English newspaper "Financial Express" and in one Telugu (Vernacular) language newspaper "Nava Telangana" which are known for having wide circulation at the location of the registered office of the Corporate Debtor.
- c. That after receipt of the claims the Applicant herein constituted the Committee of Creditors (CoC) as detailed below:

S.No.	Name of the Creditor	Type of Creditor	Claimed Amount (in Rs.)	Admitted Amount (in Rs.)
1	Bhagyanagar Investment and Trading Private Ltd.	Financial (100%)	2,91,06,849.00	2,91,06,849.00
	TOTAL (FC)		2,91,06,849.00	2,91,06,849.00

- d. Apart from the above said creditor the Applicant has not received any other financial claim for the said Corporate Debtor, as such Bhagyanagar Investment and Trading Private Ltd. was the sole Financial Creditor of the Company.





- e. Thereafter the 1st COC meeting was conducted online on 24th April, 2021, during which 100% of the quorum was present. The Applicant informed the COC about the claims received, verified and admitted by the Applicant based on the books of accounts of the Corporate Debtor. The Applicant also informed to the COC that, there are no fixed assets in the company as per the books of accounts. Further the company is not doing its business from last more than 3 years, thus chances of its revival were remote.
- f. That the COC in its 1st meeting having considered these aspects besides the information provided by the Applicant, inter-alia, passed the following resolutions:-

“The Applicant had placed the proposal for appointing himself as the Resolution Professional. However, the COC decided to proceed with the liquidation process immediately since the Corporate Debtor was not operating for more than 3 years and because the Corporate Debtor had no fixed assets. Accordingly, the COC passed a resolution to proceed with the liquidation process since the COC decided that there is no scope for resolution plan. The COC unanimously decided to liquidate the Corporate Debtor and appoint the Applicant as the liquidator”.

- g. That the COC has directed the Applicant/Interim Resolution Professional to approach this Adjudicating Authority:
- a) For liquidation of the Corporate Debtor immediately
 - b) To appoint the IRP as the Liquidator
- h. As there is no possibility of resolution plan since there are no fixed assets in its books of accounts, the Interim Resolution Professional in accordance with Sec. 33(1)(a) and 33(2) has preferred this

application seeking an order of liquidation of the Corporate Debtor and appointing the Interim Resolution Professional as Liquidator.

- i. The IRP hereby confirms that the COC consist of one Financial Creditor in which, by 100% voting the COC agreed liquidation of the Corporate Debtor.
3. Counsel for Applicant filed memo dated 12.10.2021, enclosing minutes of second meeting of CoC held on 08.10.2021, wherein CoC has resolved passed necessary resolutions as per Regulation 39B, 39C & 39D of IBBI (CIRP) Regulations with 100% votes.
 4. Heard the RP and perused the records.
 5. In view of the facts and circumstances as recorded by IRP in IA No. 238 of 2021 filed in CP(IB) No. 234/7/HDB/2020, since 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 MA No.238/2021. 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, we proceed to pass Order as follows:—
 - (i) This Adjudicating Authority hereby order for Liquidation of M/s. Velugu Engineering and Enterprises 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. CS Bhaskar B., as Liquidator as resolved by CoC. He has already filed his consent to act as Liquidator in the present case along with valid Authorisation for Assignment (AoA). He shall issue a public announcement stating therein that the Corporate Debtor is in Liquidation;

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- (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) 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. CS Bhaskar B. 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 entire liquidation cost will be funded by the sole CoC member as resolved in the 2nd CoC meeting dated 08.10.2021.
- (xi) The Liquidator shall be entitled to charge such fee for conducting the Liquidation proceedings in accordance with the decision taken by the CoC under Regulation 39D of IBBI (Insolvency Resolution Process Corporate Persons) Rules, 2016 read with Regulation 4(1) of IBBI (Liquidation Process) Regulations, 2016.
- (xii) 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. CS Bhaskar B. for information and compliance.
- (xiii) Registry is directed to furnish a copy of this order to IBBI for confirmation of appointment of Liquidator.

6. Accordingly, Application bearing IA No. 238/2021 stands disposed off.


Dr. BINOD KUMAR SINHA
MEMBER TECHNICAL


Dr. VENKATA RAMAKRISHNA BADARINATH NANDULA
MEMBER JUDICIAL