

**IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH**

**IA No.356/2021
in CP (IB) No.189/ALD/2019**

In the matter of:

An application under section 33(1) of the Insolvency and Bankruptcy Code, 2016.

In the matter of:

MKM Technologies Private Limited

...Operational Creditor

Versus

M/s Leel Electricals Limited

...Corporate Debtor

And

In the matter of:

**Ganga Ram Agarwal
(RP of Leel Electricals Limited)**

...Applicant

Coram:

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| Shri Rajasekhar V.K. | : | Member (Judicial) |
| Shri Virendra Kumar Gupta | : | Member (Technical) |

Appearances (through video conference):

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| For Applicant | : | Mr. Aditya Gauri, Amar Vivek and Shalya Agarwal, Advocates |
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Date of hearing: 30.11.2021

Date of pronouncement :06.12.2021

ORDER

Per: Virendra Kumar Gupta Member (Technical)

1. This court convened *via* video conferencing.
2. This is an application filed by the Resolution Professional upon the instructions of the Committee of Creditors (CoC) seeking liquidation of the

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Corporate Debtor, viz., Leel Electricals Limited [CIN: L29120UP1987-PLC091016], on the ground that no resolution plan was approved by the Committee of Creditors ('CoC'). The Applicant has sought for the following reliefs:

- a. *“Pass an order under section 33(1) of the Insolvency & Bankruptcy Code, 2016 for liquidation of the Corporate Debtor i.e. “Leel Electricals Limited.”*
 - b. *Pass an order for appointment of Resolution Professional as liquidator in respect of the Corporate Debtor;*
3. This Adjudicating Authority *vide* its order dated 25.03.2020 on a Petition filed by MKM Technologies Private Limited ('Operational Creditor') under section 9 of the Insolvency and Bankruptcy Code, 2016 ('the Code') directed initiation of the Corporate Insolvency Resolution Process ('CIRP') against the Corporate Debtor and appointed Mr. Arvind Mittal as the Interim Resolution Professional ('IRP') who was replaced by Mr. Ganga Ram Agarwal , as the Resolution Professional, by the Hon'ble NCLAT *vide* Order dated 21.12.2020.
 4. It is further stated that the erstwhile IRP had invited expression of interest from prospective applicants, in response to which four Expressions of Interest (EoIs) were received but no resolution pan was received. The RP has re-published Form G on 02.02.2021, in response to which five EoI's were received.
 5. Thereafter in the 7th COC meeting dated 17.04.2021, the applicant appraised the members that two resolution plans were received and the same was put for discussion before the CoC. Meanwhile this Adjudicating Authority *vide* order dated 11.06.2021 granted extension of 60 days of the CIRP period.
 6. In the 14th COC meeting dated 15.07.2021, the final commercial offers of both RAs were discussed and was rejected by CoC and it was decided to re-publish Form G, to which again four EOI's were received and further

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two PRA's has submitted the resolution plan which were put before COC for consideration.

7. The Applicant further submits that the CIRP had expired on 04.08.2020 subsequent to which the RP had moved an application for extension of 51 days and exclusion of 24 days for completion of CIRP which was allowed by this Adjudicating Authority vide order dated 27.08.2021 and then further extension of 30 days was granted by this Adjudicating Authority vide order dated 08.11.2021.
8. Further stated that in 22nd meeting of COC dated 22.10.2021 the resolution plan of M/s IM+ Capitals Limited was put to e- voting which was rejected by COC with 96.5% voting against it and further submitted CIRP period is due to expire on 17.11.2021
9. Hence, the RP has filed an application under section 33(1) of the Code, before the Adjudicating Authority for liquidation of the Corporate Debtor and appointment of RP as liquidator who has given his consent to act as liquidator which is placed at Pg.355 of the present application. He is stated to have a valid authorization for assignment.
10. This Bench, therefore, hereby orders as follows: -
 - a. Prayers as sought for in I.A.No. 356/2021 filed by Mr. Ganga Ram Agarwal, RP of Leel Electricals Limited, the Corporate Debtor, is allowed and the Corporate Debtor is ordered to be liquidated in terms of section 33(2) of the Code read with sub-section (1) thereof;
 - b. Mr. Ganga Ram Agarwal who was the RP is hereby appointed as liquidator as provided under section 34(1) of the Code, subject, however, to his possessing a valid Authorisation for Assignment (AFA) issued by the Insolvency Professional Agency (IPA) of which he is a professional member, in terms of regulation 7A of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2019The Liquidator shall initiate liquidation process as

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- envisaged under Chapter-III of the Code and the Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- c. Public Notice shall be issued in the same newspapers in which advertisements were issued earlier stating that the Corporate Debtor is in liquidation.
 - d. All the powers of the Board of Directors, and of key managerial persons, shall cease to exist in accordance with section 34(2) of the Code. All these powers shall henceforth vest in the Liquidator.
 - e. As a consequence of the application being allowed, the Moratorium as envisaged under section 14 of the Code, 2016 shall cease to have effect and a fresh Moratorium under Section 33(5) of the Code shall commence from the date of this order.
 - f. The personnel of the Corporate Debtor are directed to extend all assistance and co-operation to the Liquidator as required by him in managing the liquidation process of the Corporate Debtor.
 - g. On initiation of the liquidation process but 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, as provided in section 33(5) of the Code read with its proviso.
 - h. In accordance with section 33(7) of the Code, 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.
 - i. The liquidator shall be paid fees in accordance with the provisions of Regulations, 2016 as amended with effect from 25th July, 2019 in the order of priority as prescribed in Section 53 of the of the Code.

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- j. In terms of section 33(1)(b)(iii), the Liquidator shall file a copy of this Order with the Registrar of Companies, Kanpur, Uttar Pradesh, within whose jurisdiction the Corporate Debtor is registered. Additionally, the Registry shall also forward a copy of this Order to the Registrar of Companies, , Kanpur, Uttar Pradesh.
- k. The Liquidator is directed to submit a Preliminary Report to the Adjudicating Authority within seventy-five days from the liquidation commencement date as per Regulation 13 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. The Liquidator is further is directed to file the quarterly progress reports before this Adjudicating Authority.
11. The application bearing **IA No. 356/2021** shall stand disposed of in accordance with the above directions.
12. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.
13. Certified copy of this order may be issued, if applied for, upon compliance of all requisite formalities.
14. List the main **CP (IB) No. 189/ALD/2019** for reporting progress on **02.02.2022**.

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Virendra Kumar Gupta
Member (Technical)

Kavya Prakash Srivastava
(Stenographer)

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Rajasekhar V.K.
Member (Judicial)