AAA INSOLVENCY PROFESSIONALS LLP
Insolvency&bankruptcy.in

Adv Sanjay Gupta
Insolvency Professional

Dated: 06/07/2018

To,

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Dear Sir,

Subject- Intimation of Liquidation Process and appointment of Liquidator

In the Matter of: Samtel Color Limited

We hereby intimate your good office that Liquidation process has commenced in case of **Samtel Color Limited** (hereinafter referred to as 'Corporate debtor') under the provisions of Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'Code') by an order of Hon'ble National Company Law Tribunal, Principal Bench, New Delhi with effect from 4th July 2018. However, the order was received to the Liquidator on 6th July 2018.

As per provisions of Section 34(2) of the Code, all powers of the Board of directors and Key Managerial persons shall cease to have effect and such powers shall be vested with me, Mr. Sanjay Gupta, Insolvency Professional, Partner of AAA Insolvency Professional LLP (having IP Regn No. IBBI/IPA-001/IP-00117/2017-18/10252), who has been appointed as the Liquidator of the Corporate debtor under Section 34(1) of the code by the order of Hon'ble National Company Law Tribunal, Principal Bench, New Delhi (C.P. No. (IB) No. 132(PB)/2017). (Copy enclosed for your kind perusal).

It may further be noted that in consonance with the stipulations contained in Section 33(5) of the Code, when a liquidation order has been passed, no suit or other legal proceeding shall be instituted by or against the corporate debtor.

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In case the department wants to recover any dues amount from the proceeds of the liquidation of the liquidated company, then a claim in the appropriate Form-C, which can be filed as per the provisions of IBBI (Liquidation Process) Regulations, 2016.

The claim will be verified and scrutinized by the Liquidator and any amount due and eligible will be settled as per Section 53 of Insolvency and Bankruptcy Code, 2016.

Kindly acknowledge the receipt of this document.

Thanking you,
Yours faithfully,

Sanjay Gupta
Partner, AAA Insolvency Professionals, LLP.
Liquidator in the matter of Samtel Color Limited.
IP Registration no. IBBI/IPA-001/IP-00117/2017-18/10252

Enclosed:

(a) A copy of the NCLT order dated 04.07.2018.

IN THE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI
PRINCIPAL BENCH

C.P. No. (IB)-132(PB)/2017

IN THE MATTER OF:
Punjab National Bank .....**Financial Creditor**
v.
Samtel Color & Ors. .....**Corporate Debtor**

SECTION: Under Section 33 (2) of the Insolvency and Bankruptcy Code, 2016

Order delivered on 04.07.2018

Coram:
CHIEF JUSTICE (RTD.) M.M. KUMAR
Hon'ble President

Sh. S. K. MOHAPATRA,
Hon'ble Member (Technical)

PRESENTS
For the Petitioner(s):
For the Respondent(s): **Shri Sameer Rastogi, Advocate for Resolution Professional**

M.M. KUMAR, PRESIDENT

ORDER

C.A. No. 474(PB)/2018

This order shall dispose of C.A. No. 474(PB)/2018 filed by the Resolution Professional under Section 33 (2) of the Insolvency and Bankruptcy Code, 2016 (for brevity 'the Code') with a prayer for allowing the application and initiation of liquidation process of the Corporate Debtor in terms of the aforesaid provisions.

Brief facts of the case necessary for disposal of the aforesaid application is that C.P. (IB) No. 132(PB)/2017 was admitted by this Tribunal vide order dated 07.09.2017 which was filed by the Financial

Creditor (Punjab National Bank) under Section 7 of the Code. Mr. Sanjay Gupta was appointed to act as an Interim Resolution Professional (for brevity 'IRP'). A public announcement was made by IRP on 10.09.2017 in the newspapers namely Business Standard (English), Rashtriya Sahara (Hindi), NCR edition for intimating the commencement of Corporate Insolvency Resolution process of the Samtel Color Limited. Accordingly, claims were filed by the creditors and others before him. A first meeting of committee of creditors (for brevity 'CoC') was held on 06.10.2017 wherein all the members of the CoC confirmed the appointment of Mr. Sanjay Gupta as Resolution Professional (for brevity 'RP') which was done through E-Voting. The IRP had appointed two valuers who have assessed the liquidation value of the assets of the Corporate Debtor. Thereafter the RP published an Expression of Interest on 11.12.2017 in a newspaper namely Business Standard Delhi NCR region edition for inviting the resolution plans for the resolution of the Corporate Debtor. On 05.01.2018 expression of interest was received by the RP from one resolution applicant namely Multi Metals Limited.

In the Fourth Meeting of CoC dated 29/01/2018, Resolution Applicant namely Multi Metals Limited presented the Outlines of their Resolution Plan with a bid of Rs. 140 crores. However, the CoC after detailed discussion on the same concluded that the bid amount was too low and the time period of three years was too long. The resolution applicant, Multi Metals Limited had sought 48 hours from the CoC for

submitting the revised resolution plan which was not considered by the CoC and the agenda for Liquidation was proposed by the CoC. Since one of the member of the COC, Rabo Bank was not present in the Meeting, the Agenda was recommended for E-Voting by the COC.

Subsequently the Resolution Applicant on 31/01/2018 at 10:06 PM, submitted the revised Resolution Plan with the bid of Rs. 165 crore which was circulated to all CoC Members on 01/02/2018 through an e-mail, for consideration. However, no response was received from any of the CoC members except Edelweiss for revised resolution plan. The lead financial creditor-Edelweiss having voting share of 39.61% on the very same day submitted its preliminary views on the revised resolution plan, to all financial creditors and the Resolution Professional for not considering the resolution Plan submitted by Multi Metals Limited and stated that the process of liquidation should go ahead. Thereafter on 02/02/2018 draft minutes were circulated to all the CoC members for their observations within 48 hours but no objections were received therefore, the same were circulated as final minutes on 05/02/2018 and the e-voting was scheduled to be held on 07/02/2018 to 08/02/2018 which was conveyed to all the COC Members.

The fourth Meeting of CoC was based on e-voting. At Agenda No. 1 it was resolved by the CoC with 96.87% of voting share that the RP was authorised to file an application under Section 33(2) and Section 34(1)

of the Code for liquidating the corporate debtor and he was also recommended to act as a liquidator.

As the 180 days of Corporate Insolvency Resolution Process (for brevity 'CIR Process') period was to expire on 07/03/2017, therefore, in the fifth meeting of CoC held on 02.05.2018 an agenda for extension of CIR process period by 90 days was approved by all the members of COC unanimously. Vide order dated 14.05.2018 we accepted the aforesaid prayer for extension of CIR Process period of 90 days beyond 180 days. In the said meeting agenda was also circulated and approved by the CoC with 99.92% of voting share for publishing another expression of interest. Various parameters for the bidding process were also decided in the said meeting. Multi Metals Limited was also called to participate in the said meeting. However, the said resolution applicant did not attend the meeting because of the scheduled traveling. In light of aforesaid approval of the CoC, RP published an expression of interest in the newspapers as well as in two web links namely www.insolvencyandbankruptcy.in and the website of Corporate Debtor namely www.samtelgroup.com for putting forward a resolution plan in the CIR Process of Corporate Debtor for takeover, investment, management etc.

Subsequently the Resolution Applicant namely Multi Metals Limited enquired regarding the salary/wages paid/disbursed by corporate debtor (month wise) to the Workmen and employees. It further

enquired about the details/status of various cases/suites filed by labour unions in Hon'ble High Courts of Shimla, Jaipur & Allahabad and the Hon'ble Supreme Court of India and the order/judgments, if any, passed by Hon'ble High Courts of Shimla, Jaipur & Allahabad and the Hon'ble Supreme Court of India in respect of labour litigations, claims received from Greater Noida Authority, UPSIDC & GDA. The RP provided all the details to them with full explanations.

The Resolution Applicant-Multi Metals Limited after seeking aforesaid details from the RP and after many reminders through mail and telephonic conversation refused to submit the revised plan because of the two reasons, firstly that there are apprehensions over litigation and aggressive nature Labours and related issues. The other reason regarding submission of EMD of Rs. 5 crores.

The RP however clarified both the aforesaid issues raised by the Resolution Applicant in light of the amendment made in sub-regulation (3) of regulation 39 by inserting sub-regulation (3A) in IBBI (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2018.

Thereafter on 21/05/2018, at 10:53 p.m. the RP received a mail from Resolution Applicant-Multi Metals Limited apprising that they be treated to have pulled out from the process of submission of resolution plan.

The RP also directed the Transactions Department of AAA Insolvency Professionals LLP to have meeting with the property dealers, interested customers or buyers to submit resolution plans. Consultations and clarifications meetings were also held with union leaders of the Corporate Debtor with respect to share the details of the interested buyers for submitting the resolution plan.

A preliminary inquiry was received from the Eight Capital as they were exploring investment opportunities among companies that have been referred to this Tribunal for insolvency proceedings. However, no information and clarification were received from them despite reminders sent by the RP.

Despite repeated efforts and meetings with dealers in the search of the prospective resolution applicant no expression of interest was received by the RP for the revival of the corporate debtor.

In the sixth meeting, it was resolved with 98.44% voting share for liquidation of the Corporate Debtor and recommended for filing liquidation application under the provisions of the Code.

In light of directions issued by the Tribunal, the RP thereafter filed comprehensive certificate vide diary No. 3976 dated 13.06.2018 certifying that all the steps have been taken by him in accordance with the provisions of the Code and Regulations thereunder.

We have thoughtfully considered the submissions made on behalf of the Resolution Professional in respect of the application (C.A. No. 474(PB)/2018) and are of the view that the application filed by the Resolution Professional under Section 33 (2) of the Code deserves to be accepted. The reasons are that despite public notice issued inviting resolution plan no resolution plan has been received and the resolution plan which was earlier submitted by the Resolution Applicant-Multi Metals Limited, has been subsequently withdrawn for the reasons as discussed in preceding paras. The decision of CoC is unanimous. The Commercial wisdom of the Committee of Creditors is ordinarily accepted and interference with it is an exception. The Commercial wisdom in such like circumstances and the decision by the Committee of Creditors meets our approval. There is thus no option except to approve the view of the CoC.

Accordingly, we allow the application namely C.A. No. 474(PB)/2018 and declare that the Corporate Debtor be liquidated in the manner as laid down in Chapter-III. A public notice stating that the Corporate Debtor is in liquidation shall be issued by the Liquidator. A copy of this order be sent to the authorities with which the Corporate Debtor is registered. Subject to the provisions of Section 52 of the Code no suit or other legal proceedings ought to be instituted by or against the Corporate Debtor. However, leave is granted to the Liquidator to

institute any proceeding on behalf of the Corporate Debtor with the prior approval of the Adjudicating Authority-NCLT. It is also clarified that the aforesaid condition is not to apply to legal proceedings in relation to such transaction as may be notified by the Central Government in consultation with the Financial Sector Regulator. It is further clarified that the order of liquidation being passed today shall be deemed to be a notice of discharge to the officers, employees and the workmen of the Corporate Debtor. Accordingly, we direct the RP, Mr. Sanjay Gupta to act as a Liquidator. As a Liquidator he is to first pay the dues of insolvency resolution process costs if any paid by the IRP or RP as per the provisions of Regulation 53 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation, 2016. The Liquidator so appointed shall perform all his duties as given in details in Section 55 of the Code and submit his reports from time to time as per the requirement of the provisions of the Code, Regulations and the Rules.

The application is disposed of in the above terms.

-Sd-

(M.M. KUMAR)
PRESIDENT

-Sd-

(S.K. MOHAPATRA)
(MEMBER TECHNICAL)

04.07.2018
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