

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD

IA No.852/2019
In
CP(IB)No.48/7/HDB/2019

In the matter of: M/s. Nagarjuna Oil Refinery Limited

M/s. Nagarjuna Fertilizers and Chemicals Limited

Regd.Office.D.No.8-2-248

Nagarjuna Hills, Punjagutta

HYDERABAD - 500 082

... Original Applicant/
Financial Creditor

Mr Kranthi Kumar Kedari, Insolvency Professional,

(IBBI/IPA-001/IP-P00173/2017-18/10342)

Flat 202, D No 8-3-16/D/49

Balaji Kalyan Apts, Next to Axis Bank

Kalyan Nagar, Hyderabad 500038, Telangana.

... Applicant /
Resolution Professional

Vs.

M/s. Nagarjuna Oil Refinery Limited

Nagarjuna Hills, Punjagutta

HYDERABAD, TELANGANA - 500082.

(Rep. by Mr.Kranthi Kumar Kedari, RP)

.... Respondent /
Corporate Debtor

Order pronounced on: 26.11.2019

**Coram: K. Anantha Padmanabha Swamy, Member Judicial
Dr. Binod Kumar Sinha, Member Technical**

Parties/ Counsels Present:-

For the Applicant:

Ms. Mano Ranjani, Advocate for RP

For the CoC:

Mr.Nitish Bandaray, Advocate

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Per: K. Anantha Padmanabha Swamy, Member Judicial

ORDER

1. The present Application bearing IA No.852/2019 in CP(IB)No.48/7/HDB/2019 is filed by Resolution Professional U/s. 33 of the IB Code, 2016 inter-alia praying to pass an order of Liquidation against the Corporate Debtor herein and to appoint the RP as the Liquidator.
2. It is stated that the present Corporate Debtor was admitted for commencement of CIRP vide Order dated 09.04.2019 and the Applicant herein was appointed as IRP.
3. It is stated that the claim was received from only one Financial Creditor and the Committee of Creditors was constituted with the sole financial creditor with a 100% voting share. The IRP was also confirmed as RP by the CoC.
4. It is stated that the Resolution Professional published the expression of interest on 24.06.2019 in Business Standard and Nava Telangana newspapers. However, no expression of interest was received by the Resolution Professional.
5. It is stated that the Resolution Professional regularly called for and conducted the Meetings. The Seventh Meeting, of COC was conducted on 21.09.2019 wherein the COC and the RP reviewed the CIRP process. It is stated that the CIRP period of 180 days was getting over on 6.10.2019 and no expression of interest were received till the date of the meeting.
6. It is stated that the CoC in 7th meeting dated 21st September 2019 has decided to liquidate the Corporate Debtor by 100%



voting share and to appoint the Resolution Professional to act as the Liquidator.

Copy of the minutes of the 7th CoC meeting has been filed.

7. The relevant portion of the minutes of the 7th CoC meeting dated 21.09.2019 is extracted as under:

“Committee of Creditors (COC) and Resolution Professional has jointly reviewed the CIRP process of M/s.Nagarjuna Oil Refinery Limited (NORL) as on date. RP informed that no Expression of Interest (EOI) was received for the company within the due date. RP request the COC to take a decision as the 180 days period is getting over by 6th October, 2019 and till date no EOI has been received.

CoC informed that the Corporate Debtor M/s Nagarjuna Oil refinery Limited owe to the sole financial creditor M/s Nagarjuna Fertilisers & Chemicals Limited an amount of Rs 18.86 crores.

CoC further informed that the property at A/612, Dalamal Towers, 211, Wing-A, Nariman Point, Mumbai-400 021, (Mumbai Property) enlisted as an Asset of the corporate debtor is in fact in the name of the financial creditor since long. And the property is valued at Rs 1.2 crores only.

CoC has further informed that since the claim of Financial Creditor which is Rs.18.86 crores is more than the value of Mumbai property of Corporate Debtor i.e., Rs.1.2 crores, CoC informed the RP that it is adjusting, the Mumbai property valued at Rs.1.2 crores (Liquidation Value), towards the total claim of Rs.18.86 crores, of sole Financial Creditor and informed the Resolution Professional to settle the remaining claims of the Creditors as per the provisions of IBC, 2016.

COC, there on decided to liquidate the Corporate Debtor and Requested the Resolution Professional to Act as the Liquidator for Nagarjuna Oil Refinery Limited at a remuneration as may be mutually agreed upon.



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Mr.Kranthi Kumar Kedari, Resolution Professional has given consent to act as Liquidator for the Corporate Debtor M/s.Nagarjuna Oil Refinery Limited.”

8. Heard both sides and perused the records.
9. In view of the facts and circumstances recorded by RP in IA No.852 of 2019 filed in CP(IB) No. 48/7/HDB/2019, this Adjudicating Authority did not receive any Resolution Plan under Sub-Section (6) of Section 30. Further Section 33(2) as amended by the IBC Amendment Act, 2019, stipulates as under:

Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of resolution plan, intimates the Adjudicating Authority of the decision of the committee of creditors 2 [approved by not less than sixty-six percent. of the voting share] to liquidate the corporate debtor, the Adjudicating Authority shall pass a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1).

[Explanation. – For the purpose of this sub-section, it is hereby declared that the committee of creditors may take the decision to liquidate the corporate debtor, any time after its constitution under sub-section (1) of section 21 and before the confirmation of the resolution plan, including at any time before the preparation of the information memorandum.]

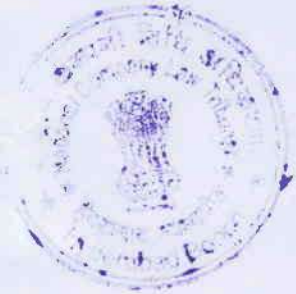
10. In the instant case, the CoC in their seventh CoC meeting held on 21.09.2019, unanimously resolved to liquidate the Corporate Debtor and authorized the IRP to intimate this Adjudicating Authority as to their decision to liquidate the Corporate Debtor with 100% voting share. Therefore, in view of provisions of Section 33(2) and in exercise of powers conferred

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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. Nagarjuna Oil Refinery 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. Kranthi Kumar Kedari who has given his consent letter dated 27.09.2019 to act as Liquidator in the present case. 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) 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



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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. Kranthi Kumar Kedari. 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.

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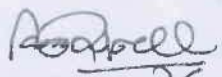
(x) The Company Liquidator shall be entitled to charge such fee for conducting the Liquidation proceedings in such a proportion to the value of the Liquidation estate assets as specified by the Board under Regulation 4(3) of IBBI (Liquidation Process) Regulations, 2016. Accordingly, the fees for conducting 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. Kranthi Kumar Kedari for information and compliance.


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

(xiii) In terms of the above, IA No. 852 of 2019 filed in CP(IB) No. 48/7/HDB/2019 by the RP under Section 33(2) of the I&B Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz., M/s. Nagarjuna Oil Refinery Limited, stands **disposed off**.




26.11.19
Dr. BINOD KUMAR SINHA
MEMBER (TECHNICAL)

Alekhya/ SKRathi


K. ANANTHA PADMANABAHA SWAMY
MEMBER (JUDICIAL)

प्रमाणित प्रति JAN0 852/19
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केस संख्या CP(IB)NO. 48/7/HDB/19.
निर्णय का तारीख 26/11/19
DATE OF JUDGEMENT
प्रति तैयार किया गया तारीख 27/11/19
MADE READY ON