

**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
SINGLE BENCH, CHENNAI**

*CA/61/2017 in CP/510/(IB)/2017 filed  
under Section 33 (1) (a) of the Insolvency  
and Bankruptcy Code, 2016.*

In the matter of

***Resolution Professional viz. Mr. Raghavendaran***

for

M/s. Veelsons Energy Systems Private Limited

*(Corporate Debtor)*

*Order delivered on 19<sup>th</sup> of March, 2018*

CORAM:

**CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)**

*For RP*

*: Mr. B. Dhanaraj, Counsel*

**ORDER**

Per: CH MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)

1. This relates to CA/61/IB/2017 filed in CP/510/IB/CB/2017, by the Resolution Professional (RP) viz., Mr. Raghavendran, under Section 33(1)(a) of the Insolvency and Bankruptcy Code, 2016, (in short 'I&B Code, 2016'), for liquidation of the Corporate Debtor viz., M/s. Veelsons Energy Systems Private Limited, that has been undergoing Corporate Insolvency Resolution



Process (CIRP) since 19.06.2017. The maximum period permitted for completion of CIRP under Section 12 of the I&B Code, 2016 has expired on 12.03.2018.

2. CP/510/IB/CB/2017 was filed by the Corporate Debtor under Section 10 of the I&B Code, 2016, which was admitted by this Authority vide Order dated 19.06.2017, wherein the CIRP was initiated against the Corporate Debtor viz., M/s. Veelsons Energy Systems Private Limited. The moratorium was declared and Mr. S. Srinivasan was appointed as Interim Resolution Professional (IRP) in the matter.

3. Thereafter, the Committee of Creditors (CoCs) was constituted and in the 1<sup>st</sup> meeting of the CoCs conducted on 19.07.2017, it was resolved to appoint Mr. Raghavendaran as RP.

4. A perusal of record shows that in the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> meetings of CoCs conducted on 13.10.2017, 21.11.2017 and 11.12.2017 respectively, no



Resolution Plan was worked out for consideration of the CoCs. In short, the outcome of the three meetings of the CoCs is that no resolution applicant has come forward to propose any resolution plan.

5. However, during examination of record, it was found that the RP has filed CA No.61/2017 on 18.12.2017 under Section 33 (1) (a) of the I&B Code, 2016 for passing Liquidation Order against the Corporate Debtor but failed to file the minutes of the 5<sup>th</sup> meeting of CoCs, in which the Resolution for liquidation of the Corporate Debtor was passed. Therefore, this Authority, vide its Order dated 15.03.2017 re-opened the case and directed the RP to file an additional Affidavit in this regard and posted the case on 19.03.2018.

6. As directed by this Authority, on 16.03.2018, the RP has filed an additional Affidavit along with the copy of the minutes of the 5<sup>th</sup> meeting of CoCs held on 20.02.2018. In the additional Affidavit,



the RP has stated that, due to inadvertence, on 06.03.2018, the representative of the RP filed the Minutes of the CoCs by mentioning an incorrect number and cause title on it, which led to confusion.

7. In the 5<sup>th</sup> Meeting of CoCs conducted on 20.02.2018, the members of CoCs viz., State Bank of India, TIIC, IDBI Bank had proposed as follows: -

*“Since no resolution plan has been received, the RP said that he needs to file an information memorandum to the Hon’ble NCLT, highlighting the present status and requesting the Hon’ble NCLT to consider the Liquidation Application filed already on completion of 180 days.*

*Members of the CoC, i.e. Officials of SBI and TIIC, who are personally present at the meeting approved the above and the officials of the IDBI Bank, present through video conferencing also approved the above and authorised the RP to file an application accordingly.”*

8. The above stated resolution was unanimously passed by the CoCs. During the period of CIRP, the Resolution Professional has not received any




viable and suitable plan that could meet the requirements as referred to in Sub- Section (2) of Section 30 of the I&B Code, 2016.

9. The relevant extract of the Minutes of 5<sup>th</sup> Meeting of CoCs is as follows:-

*“Members of the CoC, i.e. Officials of SBI and TIIC, who are personally present at the meeting approved the above (Liquidation) and the officials of the IDBI Bank, present through video conferencing also approved the above and authorised the RP to file an application accordingly.” (word liquidation supplied)*

10. In the light of the circumstances stated above, the case falls within the purview of Section 33(1)(a) of the I&B Code, 2016. No Resolution Plan has been received by this Authority, under Sub-section (6) of Section 30 before the expiry of the maximum period permitted for completion of the CIR Process.

### **ORDER**

11. In view of the facts and circumstances recorded by RP in CA/61/IB/2017 filed in 



CP/510/IB/CB/2017, I, 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, proceed to pass Order as follows:-

- i. I hereby order for liquidation of the Corporate Debtor viz., M/s. Veelsons Energy Systems 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. I hereby appoint RP viz., Mr. R. Raghavendran as Company Liquidator, who 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. Copy of this Order shall be sent to the Registrar of Companies, RD, OL and the Registered Office of the Corporate Debtor.
- v. 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.
- vi. I make it clear that para (v) 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.
- vii. 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.

viii. 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. R. Raghavendran. 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.

ix. The personnel of the Corporate Debtor shall extend all assistance and co-operation to the Liquidator as may be required by him in managing the affairs of the Corporate Debtor.





- x. The Liquidator shall be entitled to charge such fee for the conduct of the liquidation proceedings in such a proportion to the value of the liquidation estate assets as may be specified by the Board. Accordingly, the fees of the conduct of the liquidation proceedings shall be paid to the Liquidator from the proceeds of the liquidation estate.
12. In terms of the above, CA/61/IB/2017 in CP/510/IB/CB/2017 filed by the RP under Section 33(1)(a) of the I&B Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz., M/s. Veelsons Energy Systems Private Limited stands disposed of.
13. A copy of this Order shall be sent to the Company Liquidator with immediate effect for information and compliance.



14. Order is pronounced in the open court in the presence of RP/his Counsel.



**[CH. MOHD SHARIEF TARIQ]**  
MEMBER (JUDICIAL)

P. ATHISTAMANI

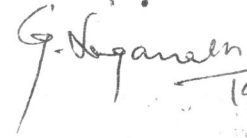


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