IA. No. 2594/2023

In **CP(IB)No.4114/MB/CII/2019**

Application filed under section 33(1) and 33(2) of Insolvency and Bankruptcy Code, 2016

Mangesh Vitthal Kekre, RP of

M/s Hudli & Sons Metallics Private Limited

...Applicant

In the matter of

Bhartia Petro

... Operational Creditor

V/s

Huldi & Sons Metallics Private Limited

...Corporate Debtor

Order Pronounced on: 20.06.2024

Coram:

Anil Raj Chellan Kuldip Kumar Kareer

Member Technical Member Judicial

Appearances:-

For the Applicant : Counsel, Shlok Parekh a/w Vedanshi Shah

i/b. Mahalakshmi Ganpathy

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ORDER

Per: Coram

- 1. It is an application filed u/s 33(1) and 33(2) of the Insolvency and Bankruptcy Code, 2016 (Code) by Mangesh Vitthal Kekre, Resolution Professional (RP) of Huldi & Sons Metallics Private Limited seeking liquidation order based on the resolution passed by the CoC in its 7th meeting held 02.03.2023.
- 2. On perusal of this application, it appears that CP No. (IB)-(MB) 4114/2019 was admitted by this Tribunal on 03.06.2022 and Mr. Ram Ratan Kanoongo was appointed as Interim Resolution Professional (IRP). The said committee consisted of only one Financial Creditor.
- 3. The IRP made public announcement of CIRP of the Corporate Debtor on 07.06.2022 for inviting claims from the Creditors. The last date for submission of claims was 20.06.2022.
- 4. The Resolution Professional appointed two valuers for determination for each class of asset and the valuers gave their valuations for the class of assets.
- 5. In the 1st meeting of CoC held on 04.07.2022, the CoC decided to replace Interim Resolution Professional (IRP). This Tribunal vide order dated

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22.08.2022 in IA No. 2216/2022, appointed Mr. Mangesh V. Kekre as the new Resolution Professional (RP).

- 6. The IRP had invited Expression of Interest (EoI) from Prospective Resolution Applicants (PRAs) by publishing Form G on 06.08.2022. By the deadline for submission, two EOIs were received by the RP.
- 7. The RP issued Request for Resolution Plan (RFRP) to one PRA and asked him to submit a resolution plan on or before last date of submission of plan i.e. 04.10.2022. Subsequently, with the approval of CoC, the deadline for submission of the resolution plan was extended to 22.10.2022.
- 8. Thereafter, the only PRA expressed his inability to submit a resolution plan for the Corporate Debtor and withdrew from the process via an email dated 07.10.2022.
- 9. The CoC and the RP opined that the Corporate Debtor's manufacturing facilities were in good condition and ready for use, making it ideal to seek a resolution in the interest of all stakeholders. Consequently, during the 4th CoC meeting held on 13.10.2022, they decided to re-publish the EoI in Form G. Form G was re-published on 19.10.2022 in various newspapers across Maharashtra and Gujarat to broaden the reach and invite competitive bids for the Corporate Debtor.

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- 10. The last date for submission of the EoI as per the re-published Form G was 04.11.2022. Consequently, two parties submitted their EoI. The RP issued a provisional list of PRAs on 14.11.2022, and invited objections to the provisional list until 19.11.2022. Thereafter, the RP issued the Information Memorandum, Evaluation Matrix and Request for Resolution Plan (RFRP) documents to these PRAs to enable them to submit a resolution plan for the Corporate Debtor.
- 11. Subsequently, at the request of the PRAs, the last date for submission of the resolution plan was first extended to 03.01.2023 and again to 18.01.2023 with the approval of the CoC. However, none of the PRAs submitted a resolution plan for the Corporate Debtor within the extended timelines.
- 12. The CIRP period of 180 days was set to expire on 30.11.2022. Thereafter, in its 5th CoC meeting held on 25.11.2022, the CoC member unanimously passed a resolution seeking a 90-day extension.
- 13. Then the CoC considered that another chance be availed for reviving the Corporate Debtor, M/s Hudli & Sons Metallics Private Limited, and avoiding liquidation. Consequently, the RP filed an IA for extension before this Tribunal, which is currently pending adjudication.
- 14. During the pendency of application for extension of time and due to the non-submission of resolution plans by PRAs despite granting sufficient time, the CoC in its 7th meeting held on 02.03.2023, resolved

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to liquidate the Corporate Debtor and passed the following resolutions through voting which is extracted below:

"RESOLVED THAT the CoC be and is hereby proposes the initiation of liquidation proceedings u/s 33(2) of IBC for the CD – Hudli and Sons Metallics Private Limited in the absence of any Resolution Plan received by Resolution Applicants in accordance with the final list of PRA."

"FURTHER RESOLVED THAT the CoC hereby authorizes RP – Mr. Mangesh Vitthal Kekre to file a petition regarding Liquidation."

"RESOLVED THAT the members of the Committee of Creditors be and is hereby approves the estimated liquidation cost of INR 10,00,000/-."

- 15. Looking at the application and averments made therein, we are of the considered opinion that this is a fit case for liquidation. Therefore, we hereby order the liquidation of the company within the following terms:
 - a. The **Mr. Mangesh Vitthal Kekre**, holding Registration **No. IBBI/IPA-001/IP-P00539/2017-2018/10964**, is appointed as the Liquidator in terms of Section 34 of the Code;

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- b. Registry is directed to communicate this Order to the Registrar of Companies, Mumbai and to the Insolvency and Bankruptcy Board of India;
- c. The Order of Moratorium passed under Section 14 of the Insolvency and Bankruptcy Code, 2016 shall cease to have its effect and a fresh Moratorium under Section 33(5) of the Insolvency and Bankruptcy Code shall commence;
- d. This order shall be deemed to be a notice of discharge to the officers, employees and the workmen of the corporate debtor as per Section 33(7) of the Insolvency and Bankruptcy Code, 2016;
- e. The Liquidator is directed to proceed with the process of liquidation in a manner laid down in Chapter III of Part II of the Insolvency and Bankruptcy Code, 2016 and in accordance with the relevant rules and regulations.
- f. The Liquidator shall follow up and continue to investigate the financial affairs of the Corporate Debtor in accordance with provisions of Section 35(1) of the Code.
- g. The liquidator shall also follow up the pending applications for their disposal during the process of liquidation including initiation of steps for recovery of dues of the Corporate Debtor if any as per

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law.

- h. The Liquidator shall 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 (Liquidation Process) Regulations, 2016;
- i. Copy of this order be sent to the financial creditors, corporate debtor, the Liquidator for taking necessary steps.
- 16. The **IA- 2594/2023** filed by the RP for Liquidation of the Corporate Debtor stands **allowed accordingly in aforesaid terms.**

Sd/- Sd/-

ANIL RAJ CHELLAN
(MEMBER TECHNICAL)

KULDIP KUMAR KAREER (MEMBER JUDICIAL)