

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH, Delhi-III**

CA/855/C-III/2019 in
CP/IB/1410/ND/2018 filed under
Section 33(2) of the Insolvency and
Bankruptcy Code, 2016

In the matter of Khairwala International Limited

Mr. Harjeet Singh Rekhi,

Resolution Professional for Khairwala International Ltd.

(Applicant)

Order delivered on 26 of November, 2019

CORAM :

SHRI. CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)
SHRI. K.K.VOHRA, MEMBER (TECHNICAL)

For Resolution Professional

: Mr. Abhishek Anand, Mr. Honey Satpal

Mr. Tushar Tyagi & Mr. Mohak Sharma (Advocates)

ORDER

CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)

1. This relates to CA-855/C-III/ND/2019 filed in IB/1410/ND/2018 by Mr. Harjeet Singh Rekhi (hereinafter referred to as 'Resolution Professional') (RP) under Section 33(2) of the Insolvency and Bankruptcy Code, 2016. The

prayer made in the Application is to pass an order of liquidation pertaining the Corporate Debtor (CD) viz., M/s. ✓ Khairwala International Limited.

2. Originally IB/1410/ND/2018 filed under Section 9 of the I&B Code, 2016 by the CD was admitted by this Authority vide Order dated 09.05.2019, the CIR Process was initiated against the CD and Mr. Amit Gupta was appointed as Interim RP (IRP).

3. It is averred that pursuant to the Order of this Authority dated 09.05.2019 the IRP had taken over the management of the CD and had issued the Newspaper Publication dated 15.05.2019 in two edition one in English and another in vernacular as per Regulation 6 (1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Debtor) Regulations, 2016, inviting the claims from the creditors. After verification of the claims received, the IRP constituted the Committee of Creditors (CoC). In the 1st CoC Meeting held on

07.06.2019, the Applicant viz., Mr. Harjeet Singh Rekhi was appointed as Resolution Professional.

4. During 2nd COC meeting held on 26th July 2019 RP apprised that the promoters of the CD are not traceable and the latest financial as per MCA is for the financial year 2016-17. The COC was informed that the Information memorandum is under the process on the basis of the information available and that the same will be shared after obtaining the confidentiality undertaking in accordance with Section 29 of the Code read with regulation 36 of the CIRP Regulations.

5. It is noted that the RP has appointed registered valuers Mr. Suresh Kumar & Mr. Ankit Goyal for plant and Machinery, Mr. Navin Khandelwal & Mr. Ankush Garg for financial assets and Mr. Suresh Kumra Sonthalia & Sachin for land and building.

6. It was brought to the knowledge of COC in its 3rd ~~COC~~ ^{4th} meeting that CD had opened 2 bank accounts with HDFC

and SBI banks having account number 03802050000029 and 32459019706 respectively without knowledge of the FC. The applicant informed that he had sent the letters to both the banks for closure of the respective bank accounts and transfer of the amount to the escrow account of PNB.

7. Since no Resolution Plan is received by this Authority under Sub-section (6) of Section 30 of the I&B Code, 2016, before the expiry of the Corporate Insolvency Resolution Process period of 180 days, the Corporate Debtor has to be ordered for Liquidation.

8. It is noted that IRP is willing to be appointed as the Official liquidator.

ORDER

9. In view of the facts and circumstances recorded by Resolution Professional in CA/855/C-III/ND/2019 filed in CP/IB/1410/ND/2018 and in exercise of powers conferred under Sub-Clauses (i) (ii) and (iii) of Clause (a) of Sub-

Section (1) of Section 33 of the I&B Code, 2016, this Authority proceeds to pass Liquidation Order as follows:-

- I. This Authority hereby orders for liquidation of the CD viz., M/s. Khairwala International 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 Authority hereby appoints Mr. Harjeet Singh Rekhi as Company Liquidator who shall issue a public announcement stating therein that the CD 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. This Authority makes 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 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 with the

Company Liquidator viz., Mr. Harjeet Singh Rekhi, 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 Liquidator as may be required by him in managing the affairs of the Corporate Debtor.

IX. The Company Liquidator shall be entitled to charge such fees for the conduct of the liquidation proceedings and in such a proportion to the value of the liquidation estate assets as specified under Regulation 4 (2) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

X. The Registry is directed to communicate this order with immediate effect to the concerned Registrar of Companies, RD, OL, Registered Office of the Corporate Debtor and Company Liquidator viz. Mr. Harjeet Singh Rekhi, for information and compliance.

10. In terms of the above, CA/855/C-III/ND/2019 filed in CP/IB/1410/ND/2018 by the Resolution Professional under Section 33(2) of the I&B Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz., M/s. Khairwala International Limited is **allowed**.

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(K.K.VOHRA)
MEMBER (TECHNICAL)

-S-d-

(CH. MOHD SHARIEF TARIQ)
MEMBER (JUDICIAL)