



**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD**

I.A. No. 574/2021 & I.A. No. 565/2022 in
C.P. (IB) No. 384/7/HDB/2020

Under Section 33(2) r/w Section 60(5) of the IB Code, 2016,
r/w Rule 11 of the National Company Law Tribunal Rules, 2016.

In the matter of
M/S BARTRONICS SOLUTIONS LIMITED

Mr. Ramachander Bikumalla,
Resolution Professional of
M/S Bartronics Solutions Ltd.

... Applicant/Resolution Professional

Date of Order: 06.09.2022

Coram:

Justice Telaprolu Rajani, Member, Judicial
Sri Veera Brahma Rao Arekapudi, Member, Technical

Counsel present:

For the Applicant in I.A. No. 574/2021: Mr. K. Purna Chandra Rao

For the Applicant in I.A. No. 565/2022: Mr. Y. Suryanarayana

Per : Bench

ORDER

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1. Under consideration are two interlocutory applications filed by the Resolution Professional (hereinafter referred to as the "Applicant") of M/S Bartronics Solutions Limited (hereinafter referred to as the "Corporate Debtor"), under Sections 33(2) and 60(5) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "the Code, 2016"), read with Rule 11 of the National Company Law Tribunal Rules, 2016, *inter alia*, praying for orders for the initiation of liquidation process against the Corporate Debtor.

2. Through this order, we dispose of I.A. No. 574/2021 and I.A. No. 565/2022 in C.P. No. 384/7/HDB/2020.

3. Brief facts of the matter, as submitted by the Applicant, are as follows:

- a) This Tribunal vide order, dated 04.08.2021, in C.P. (IB) No. 384/7/HDB/2020, directed the initiation of Corporate Insolvency Resolution Process (hereinafter referred to as the "CIRP"), against the Corporate Debtor and the Applicant was appointed as the interim resolution professional.



- b) The CIRP was initiated by the virtue of an application filed under Section 7 of the Code, by M/S Infokall Solutions Ltd., a financial creditor of the Corporate Debtor.
- c) The Applicant constituted the Committee of Creditors (hereinafter referred to as the "CoC"), in compliance with the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- d) The CoC, in its first meeting, dated 06.09.2021, appointed the Applicant as the Resolution Professional. In its second meeting, dated 27.09.2021, the CoC reviewed various parameters of the Corporate Debtor, including its working, performance of the last two years and business prospects, in the light of continuous losses and erosion of net worth. In view of the continuous business losses, the Corporate Debtor has not been able to meet its payment obligations to its financial creditors and operational creditors, including that towards the dues payable to statutory authorities.
- e) Considering that there are no viable business prospects in the future, it was resolved that the Corporate Debtor be liquidated at the earliest, in the best interest of the stakeholders.



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Hence, the I.A. No. 574/2021, praying for the initiation of liquidation.

4. We have heard the learned counsel for the Applicant and perused the records.

5. A perusal of the summary of the financial statements of the Corporate Debtor, for the last two years, placed by the Applicant before the CoC, as is recorded in the minutes of the second meeting of the CoC, dated 27.08.2021, reveals that the Corporate Debtor incurred a loss of Rs. 28.29 Lakh in the financial year 2019-2020 and a loss of Rs. 44.13 in the financial year 2020-2021.



6. It is observed that the CoC passed the resolution approving the filing of this Application for the initiation of the liquidation proceedings with 100% votes casted in favour of the said resolution.

7. It appears that the CoC, after deliberating on the matter at length, has, in its commercial wisdom, which is extended paramount importance in law, opined that it is important that the Corporate

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Debtor be liquidated at the earliest as there will not be any positive revenue generation from the activity of the Corporate Debtor.

8. Law requires that ordering the liquidation of an enterprise which has been found to be unviable is a must. In view of the circumstances that the Corporate Debtor is situated in and considering the decision of the CoC, the inevitable sequel is to pass an order directing the initiation of the process of liquidation against the Corporate Debtor, in the manner specified in Chapter III of the Code, 2016.
9. At this juncture, it is pertinent to note that the Applicant filed I.A. No. 565/2022 on 09.06.2022, submitting that he has become ill on account of a ligament tear in his right leg, as a result of an accidental fall on 30.04.2022 and was advised to take rest for 12 weeks. It is stated that the Applicant has still not recovered completely and therefore, would not be in a position to discharge his functions as the Liquidator, in the event of his appointment.
10. Though the Applicant had submitted his consent to the CoC, to act as the Liquidator of the Corporate Debtor, there is now a



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necessity of appointing a new liquidator in the place of the Applicant because of the medical exigency, as recorded above.

11. No name has been proposed with regard to the new liquidator and it has been left to the discretion of this Tribunal. Hence, we appoint Mr. Matta Pedda Srinivas, bearing Registration No.: IBBI/IPA-001/IP-P02390/2021-2022/13980, E-Mail ID: sreenivasmpcahyd@gmail.com, from the list of the panel of the Insolvency and Bankruptcy Board of India (for 01 July, 2022 to 31 December, 2022), as the Liquidator of the Corporate Debtor. The Liquidator is directed to file his consent and the Authorisation for Assignment within three days from the date of receipt of this order.



12. Therefore, in exercise of the powers conferred by the provisions of Section 33(1)(b)(i)(ii)(iii) of the Code, 2016, we proceed to pass the following order:

- (i) This Adjudicating Authority, hereby, orders the liquidation of M/S Bartronics Solutions Limited and the said process shall be conducted in the manner as laid down in Chapter III of Part II of the Code, 2016;

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- (ii) This Adjudicating Authority, hereby, appoints Mr. Matta Pedda Srinivas as the Liquidator of the Corporate Debtor.
- (iii) The Liquidator shall issue a public announcement stating that the Corporate Debtor is in Liquidation;
- (iv) The moratorium declared under Section 14 of the Code, 2016, shall cease to have effect from the date of the order of liquidation;
- (v) Subject to Section 52 of the 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) We 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 shall, as the



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case may be, cease to have effect and shall be vested in the Liquidator viz., Mr. Matta Pedda Srinivas. In addition to this, the Liquidator shall exercise the powers and duties as enumerated in Sections 35 to 50 and Sections 52 to 54 of the Code, 2016, read with the 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 keep in view the provisions of Regulation 32A of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and shall endeavour to first sell the Corporate Debtor or its business as a going concern.

However, if he is unable to sell the Corporate Debtor or its business within 90 days from the date of the commencement of liquidation, the Liquidator shall proceed to sell the assets of the Corporate Debtor under clauses (a) to (d) of Regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

(xi) The Liquidator shall be entitled to charge such fee for conducting the liquidation proceedings in accordance with the



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decision taken by the CoC under Regulation 39D of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process Corporate Persons) Rules, 2016, read with Regulation 4(1) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

- (xii) Copy of this Order shall be sent to the concerned Registrar of Companies, Regional Director, OL, registered office of the Corporate Debtor and the Company Liquidator viz., Mr. Matta Pedda Srinivas, for information and compliance.
- (xiii) The registry is directed to furnish a copy of this order to the Insolvency and Bankruptcy Board of India for confirmation of the appointment of the Liquidator.



13. Accordingly, I.A. No. 574/2021 stands disposed of with a direction to commence the liquidation proceedings, as directed above and I.A. No. 565/2022 is disposed of with the appointment of the new Liquidator.

Veera Brahma Rao Arekapudi

Veera Brahma Rao Arekapudi
Member, Technical

Justice Telaprolu Rajani

Justice Telaprolu Rajani
Member, Judicial

15/09/22
Deputy Registrar / Assistant Registrar / Court Officer
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति
CERTIFIED TRUE COPY

केस संख्या
CASE NUMBER. *C.P. (IB) No. 384/7/HDB/2020*
निर्णय का तारीख
DATE OF JUDGEMENT. *6/9/2022*
प्रति तैयार किया गया तारीख
COPY MADE READY ON. *15/9/2022*