

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
NEW DELHI

Company Appeal (AT) (Insolvency) No. 724 of 2019

IN THE MATTER OF:

Liberty House Group Pte. Ltd.

...Appellants

Vs

State Bank of India & Ors.

...Respondents

Present:

**For Appellants: Mr. Virendra Ganda, Sr. Advocates with
Mr. Arvind Kumar Gupta, Ms. Henna George,
Ms. Adya and Ms. Areeca, Advocates.**

**For Respondents: Mr. Joy Saha, Sr. Advocate with Ms. Misha, Mr.
Nikhil Mathur and Ms. Suhani Dwivedi, Advocates
for SBI.
Mr. Vikas Mehta and Mr. Mithun Shashank,
Advocates for IBBI.**

With

Company Appeal (AT) (Insolvency) No. 725 of 2019

IN THE MATTER OF:

Liberty House Group Pte. Ltd.

...Appellants

Vs

State Bank of India & Ors.

....Respondents

Present:

**For Appellants: Mr. Virendra Ganda, Sr. Advocates with
Mr. Arvind Kumar Gupta, Ms. Henna George,
Ms. Adya and Ms. Areeca, Advocates.**

**For Respondents: Mr. Joy Saha, Sr. Advocate with Ms. Misha, Ms.
Suhani and Mr. Nikhil Mathur, Advocates for SBI.**

With

Company Appeal (AT) (Insolvency) No. 870 of 2019

IN THE MATTER OF:

State Bank of India

...Appellant

Vs

Liberty House Group Pte. Ltd.

....Respondents

Present:

For Appellant: Mr. Joy Saha, Sr. Advocate with Ms. Misha, Ms. Suhani and Mr. Nikhil Mathur, Advocates.

For Respondents: Mr. Virendra Ganda, Sr. Advocates with Mr. Arvind Kumar Gupta, Ms. Henna George, Ms. Adya and Ms. Areeca, Advocates. Mr. Sidhartha Sharma, Ms. Sreenita Ghosh, Mr. Arjun Asthana and Mr. Sumit Bihari, Advocates for Liquidator.

ORDER

22.01.2020: The 'Liberty House Group Pte. Ltd.' – 'Successful Resolution Applicant' of 'Adhunik Metaliks Ltd.' (Corporate Debtor) and 'Zion Steel Ltd.' (another Corporate Debtor) has filed an affidavit to allow it to comply with the 'resolution plan(s)' of 'Adhunik Metaliks Ltd.' and 'Zion Steel Ltd.' and to set aside the order(s) of 'Liquidation' of both the aforesaid 'Corporate Debtors'.

2. We have gone through the affidavit and heard Mr. Virender Ganda, learned senior counsel for the Appellant, Mr. Joy Saha, learned senior counsel appearing on behalf of the 'Committee of Creditors' and others and we are of the view that in the interest of the stakeholders/financial creditors, operational creditors (employees) if the period of compliance of both the

‘resolution plans’ of Adhunik Metaliks Ltd.’ (one ‘Corporate Debtor) and ‘Zion Steel Ltd.’ (another ‘Corporate Debtor’) are extended, who otherwise will suffer ‘Liquidation’, we allowed the ‘Successful Resolution Applicant’ - Adhunik Metaliks Ltd.’ to file undertaking giving timeframe of compliance of both the plans by depositing the amount as offered in their approved plans.

3. Pursuant to the earlier, an affidavit has been filed on behalf of ‘Liberty House Group Pte. Ltd.’ on 20th January, 2020 which reads as follows:

- “1. *I am the Authorized Signatory of the Appellant/ Resolution Applicant Company and I say that I am fully conversant with the facts and circumstances of the case and am duly empowered and competent to swear and affirm this affidavit.*
2. *I state that the information is based on the record of Resolution Applicant Company and information received and believed to be true and correct from the said record. The legal submissions are based on legal advice received and believed to be true and correct.*
3. *I state that I have obtained instructions from the Resolution Applicant Company being Liberty House Group Pte. Ltd. (hereinafter called as ‘**Liberty House**’/ ‘**Resolution Applicant**’) and accordingly, I am filing the instant affidavit.*
4. *I state that the Resolution Plan in the matter of Adhunik Metaliks Ltd. (**‘Adhunik’**) and Zion Steel Ltd., (**‘Zion’**), was approved by the Ld. Adjudicating Authority, Kolkata vide its order dated 17.07.2018 and 10.07.2018 respectively, without any modifications.*

5. *In the matter of Adhunik, the payment to be made to the Financial Creditors is Rs.410 Crores and in the matter of Zion, the payment to be made to the Financial Creditors is Rs. 15 Crores.*
6. *The Resolution Applicant has already deposited Rs. 50 Crores for Adhunik and Rs. 5 Crores for Zion in the Bank Account of LHG Metal Two Private Limited maintained with SBI, Kolkata.*
7. **The proposal for the implementation of the Resolution Plan is hereinbelow:**
 - i. *Liberty House shall deposit, Rs. 360 crores (Rs. 410 less Rs. 50 crores already deposited) for Adhunik and Rs. 10 Crores (Rs. 15 less 5 crores already deposited) for Zion, as full and final settlement towards all Financial Creditors i.e. lenders as per Resolution Plan, within three weeks of NCLAT Order in a Bank account specified by and under supervision of NCLAT.*
 - ii. *Liquidator/s of Adhunik & Zion shall demit office on aforesaid deposit and as per Resolution Plan, all past directors of Adhunik & Zion shall demit office and Liberty House will be entitled to appoint all directors to the Board of both Corporate Debtors to complete all requisite steps and also procedural & legal formalities, documentation including delisting, issue of Equity Shares, capital reduction, merger, etc. as per the Resolution Plans and for taking over control, management & operations of Adhunik & Zion.*

- iii. *The CoC, Monitoring Committees, Managing Agency, Resolution Professionals and/or, Liquidators (and/ or any persons working for them) shall handover all the statutory records, operations, assets, land, plant & machinery, documents, books, control, management etc. of Adhunik and Zion within two days after the deposit and shall Co-operate with Liberty House to implement all other steps of the Resolution Plans.*
- iv. *Simultaneously, the CoC should deposit the signed and executed Deed of Debt Assignment of both Adhunik & Zion as per agreed format with the Registrar, NCLAT for simultaneous exchange as per Resolution Plans.*
- v. *NCLAT can release the said deposited amounts to the CoC and simultaneously hand over the Debt Assignment Deeds to Liberty House and all rights over the Debt, Charges of Lenders etc. against the Corporate Debtors shall stand transferred to Liberty House as per Resolution Plans.*
- vi. *The Resolution Applicant shall make the payment of CIRP costs and Operational Creditors of Adhunik and Zion as per the Resolution Plans.*
- vii. *Resolution Applicant is ready and willing to pay maximum of Rs. 10 crores additional amount towards any and all contingencies arising from this resolution as a goodwill gesture.*
- viii. *The Resolution Plans shall be deemed to have been implemented by Liberty House without any default on payment of aforesaid amount to the Financial Creditors by Liberty House.*

- ix. *Liquidation order passed by Ld. Adjudicating Authority in the matter of Adhunik & Zion to be set aside. The entire Resolution Plans approved by the Ld. Adjudicating Authority shall be deemed to be in effect and under implementation.*
8. *I state that the contents of the instant affidavit are true and correct and nothing material has been concealed therefrom.”*

4. To give one opportunity to the ‘Successful Resolution Applicant’ in both the matters, we allow the ‘Liberty House Group Pte. Ltd.’ to comply with the proposal as shown at paragraph 7(i) and paragraph 7((vii) as quoted above. The ‘Liberty House Group Pte. Ltd.’ is directed to deposit Rs.360 crores (Rupees Three hundred sixty Crores) (Rs. 410 less by Rs. 50 crores already deposited) as per approved ‘resolution plan’ of ‘Adhunik Metaliks Ltd.’ and Rs. 10 crores (Rupees Ten Crores) (Rs. 15 Crores less by 5 crores already deposited) as per ‘approved resolution plan’ of ‘Zion Steel Ltd.’ as full and final settlement towards the ‘Financial Creditors’/‘Lenders’ of the ‘resolution plan(s)’ respectively by **14th February, 2020** in the account of the ‘State Bank of India’, which is the lead bank.

5. The ‘Liberty House Group Pte. Ltd.’ is also directed to deposit additional Rs. 10 crores (Rupees Ten Crores) in terms of their undertaking as given at paragraph 7(vii) by the same date i.e. 14th February, 2020 in the account of the ‘State Bank of India’, the lead bank.

6. The ‘Liberty House Group Pte. Ltd.’ will also deposit the ‘corporate insolvency resolution process’ cost as per the approved ‘resolution plan(s)’ of

‘Adhunik Metaliks Ltd.’ and ‘Zion Steel Ltd.’ by 14th February, 2020 in the account of ‘State Bank of India’. Once the ‘corporate insolvency resolution process’ cost of both the companies are deposited with the Bank, the Bank will transfer the amount to the ‘Monitoring Committee’ presided by the ‘Resolution Professional’ for its implementation. However, the ‘Monitoring Committee’ will not disburse or distribute the aforesaid amount without prior consent of the Appellate Tribunal.

7. Once the total amount is deposited, this Appellate Tribunal will consider the rest of the proposal as made in paragraph 7, and quoted above and will pass appropriate order.

Place these appeals ‘for orders’ on **17th February, 2020** before the 1st Bench on the top of the list.

[Justice S.J. Mukhopadhaya]
Chairperson

[Justice Bansilal Bhat]
Member (Judicial)

[Justice Anant Bijay Singh]
Member (Judicial)

/ns/sk/