

NATIONAL COMPANY LAW APPELLATE TRIBUNAL, NEW DELHI
Company Appeal (AT) (Insolvency) No. 116 of 2018

IN THE MATTER OF:

Prem Sagar Mishra

...Appellant

Vs

Orissa Stevedores Ltd. & Anr.

....Respondents

Present:

For Appellant: Mr. Shovan Mishra, Advocate.

**For Respondents: Mr. Rajnish Sinha and Ms. Shreya Kohli,
Advocates.**

ORDER

07.08.2018: This appeal was preferred by Appellant against order dated 20th February, 2018 passed by the Adjudicating Authority (National Company Law Tribunal) Kolkata Bench in C.P.(I.B.) No. 729/KB/2017, admitting the application under Section 9 of the Insolvency and the Bankruptcy Code, 2016 (hereinafter referred to as 'I&B Code'), declaring moratorium and appointing Interim Resolution Professional.

2. During the pendency of the case, the parties reached settlement and on 01.08.2018 it was informed by learned counsel for the Appellant, which is recorded as follows:

“ORDER

01.08.2018- *It is informed by learned counsel appearing on behalf of the appellant that the matter has been settled and 'Committee of Creditors' have also passed order in terms of voting rights of more than 90% and therefore, an order can be passed under Section 12-A of the Insolvency and Bankruptcy Code, 2016 (for short 'I & B Code' 2016).*

He prays for and allowed to file an affidavit enclosing the copy of terms of settlement by 3rd August, 2018.

Post the case 'for orders' on 7th August, 2018.”

3. Affidavit has been filed by the Appellant enclosing minutes of the 4th meeting of the Committee of Creditors of the 'Orissa Stevedores Ltd.' (Corporate Debtor). The meeting was held on 26.07.2018, therein the following decision has been taken by the Committee of Creditors:

Regulations, 2016, (Including all the amendments and modifications for the time being in force) approval of Committee of Creditors be & is hereby accorded to authorize the Resolution Professional to reduce the Notice period from 5 days to 2 days to conduct any future COC meetings."

C. ANY OTHER MATTER WITH THE PERMISSION OF THE CHAIR.

To Withdraw the Application admitted under section 9 pertaining to Initiation of Corporate Insolvency Resolution Process (CIRP) in the said matter and authorize the Resolution Professional to file application with Hon'ble NCLT for said withdrawal-

As mentioned above NCLAT, Company Appeal(AT)(Insolvency) No.116 of 2018 dated 02.05.2018 has suggested for an amicable resolution of the claimant. Subsequently Interim Resolution Professional has received letters of settlement from Orissa Stevedores Ltd as on 25.06.18 and from Mr. Balbir Sharma dated 07.07.18 respectively. The said letters became the basis of negotiation between representatives for Corporate Debtor and both of the Operational Creditors.

In view of the letters for settlement of dues, both sides amicably agreed to settle their dispute on terms detailed herewith-

1. Orissa Stevedores Ltd has agreed to settle the dues at INR 110,000,000 crores (Rupees Eleven Crores Only) against its admitted claim of INR 130,689,315/- (Rupees Thirteen Crore Six Lakh Eighty Nine Thousand Three Hundred and Fifteen Only) payable within 15 days of the Order from Hon'ble NCLT for withdrawal of application as envisaged under section 12A of the Insolvency & Bankruptcy Code, 2016.
2. Likewise, Mr. Balbir Sharma has agreed to settle the dues at INR 157,500,000/- (Rupees Fifteen Crores Seventy Five Lakhs Only) against its admitted claim of INR 217,670,392.20/- (Rupees Twenty One Crores Seventy Six lakhs Seventy Thousand Three Hundred Ninety Two and Twenty Paise Only) payable within 15 days of the Order from Hon'ble NCLT for withdrawal of application as envisaged under section 12A of the Insolvency & Bankruptcy Code, 2016.
3. The Corporate Debtor will absorb all expenses incurred towards Corporate Insolvency Resolution Process Cost.

In light of the settlement as agreed, the applicant namely Orissa Stevedores Ltd has no objection if insolvency proceedings are closed and accordingly had filed Form FA, Applicant for Withdrawal of Corporate Insolvency Resolution Process (under Regulation 30A of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 with the Interim Resolution Professional.

The Chairman informed that as per the provisions of Section 12A of the Insolvency & Bankruptcy Code, 2016, the Adjudicating Authority may allow the withdrawal of application admitted under section 7 or section 9 or section 10, on an application made by the applicant with the approval of ninety per cent voting share of the committee of creditors, in such manner as may be prescribed. He also confirmed that he had not issued any invitation for expression of interest as envisaged under regulation 36A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

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In light of the said provisions of the Code read with the relevant Regulations, the applicant i.e. Orissa Stevedores Limited in the instant matter has submitted Withdrawal application to the Interim Resolution Professional in Form FA on 26.07.18. However, the said withdrawal application is not accompanied by the Bank Guarantee towards estimated cost incurred for purposes of clauses (c) and (d) of regulation 31 till the date of application as the Corporate Debtor has as per the terms of settlement has agreed to absorb all expenses incurred towards Insolvency Resolution Process Cost.

Therefore, the following resolution was approved by the CoC by 100% votes in favor :

"RESOLVED THAT pursuant to section 12A read with Regulation 30A of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (Including all the amendments and modifications for the time being in force), consent of the committee be and is hereby accorded to withdraw the application admitted under section 9 pertaining to initiation of the Corporate Insolvency Resolution Process (CIRP) in the matter of THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED."

"FURTHER RESOLVED THAT the committee be and hereby authorizes Mr. Bijay Murmuria, Resolution Professional to file the said withdrawal application before Hon'ble NCLT, Kolkata Bench on behalf of the applicant i.e. M/s. Orissa Stevedores Limited in the said matter."

"FURTHER RESOLVED THAT estimated cost incurred for purposes of clauses (c) and (d) of regulation 31 till the date of withdrawal application shall be met and reimbursed by the corporate debtor.

VOTE OF THANKS:

The Fourth meeting of the Committee of Creditors of The Orissa Minerals Development Company Ltd was concluded with Vote of thanks from the Chairman at 2:00 p.m.

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Sd/-
BIJAY MURMURIA
Chairman of the Meeting

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4. It is informed that the Resolution Professional has also filed an application before the Adjudicating Authority, Kolkata Bench for withdrawal of the pending petition.

5. Taking into consideration the aforesaid development and in terms of Section 12A and it is always open to the Committee of Creditors with 90% majority voting share to allow the applicant to withdraw a petition, and applicant has filed application for withdrawal of the application, we set aside the impugned order dated 20th February, 2018 passed in C.P.(I.B.) No. 729/KB/2017 and direct the Adjudicating Authority to treat the application disposed of as withdrawn.

6. In effect, order(s) passed by Ld. Adjudicating Authority appointing 'Resolution Professional', declaring moratorium, freezing of account, and all other order(s) passed by Adjudicating Authority pursuant to impugned order and action taken by the 'Resolution Professional', including the advertisement published in the newspaper calling for applications all such orders and actions are declared illegal and are set aside. The application preferred by Respondent under Section 9 of the I&B Code, 2016 is dismissed as withdrawn. The 'Corporate Debtor' is released from all the rigour of law and is allowed to function independently through its Board of Directors from immediate effect.

7. Learned Adjudicating Authority will fix the fee of the 'Resolution Professional', and the 'Corporate Debtor' will pay the fees, and other cost incurred by him.

8. The parties are directed to comply with the terms and conditions on the basis of which the Committee of Creditors allowed to withdraw the application. The appeal is allowed with aforesaid observation and direction. No Cost.

[Justice S. J. Mukhopadhaya]
Chairperson

[Justice Bansi Lal Bhat]
Member (Judicial)

am/gc