

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

(C.A.) No. 139/2017
IN
CP (IB) No.11/10/HDB/2017
U/s 12 (2) and (3) of IBC, 2016

In the matter of

Shri C.B. Mouli
Resolution Professional
M/S KAMINENI STEEL &
POWER INDIA PRIVATE LIMITED

... Corporate Debtor

VERSUS

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OF THE ORIGINAL**

FINANCIAL CREDITORS

Date of order: 27.07.2017



CORAM:

Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)

Counsels / Parties Present

For the Corporate Debtor: Shri G.S.N. Murthy, Advocate
Shri C.B. Mouli, Resolution
Professional

For Financial Creditors Dr. S.V. Ramakrishna, Advocate
Shri V.K. Sajith, Advocate along with
Shri G.P. Yashvardhan, Advocates

Per: Rajeswara Rao Vittanala, Member (J)

ORDER

1. The Present Company Application bearing CA No. 139/2017 in Company Petition CP (IB) 11/10/HDB/2017, is filed by Shri C. Bala Mouli,, Resolution Professional, under Section 12(2) and (3) of IBC, 2016, by inter-alia seeking to extend the time by 90 days to enable the members to obtain final TEV from SBI Capital Markets Limited and thereafter to go to their respective Boards for necessary instructions.
2. Heard Shri C.B. Mouli, Resolution Professional and Shri G.S.N. Murthy, Learned Counsel for the Corporate Debtor, Dr. S.V. Ramakrishna, Shri V.K. Sajith along with Shri G.P. Yashvardhan, Learned Counsels for the Financial Creditors.
3. The Company Petition No. 11/2017 filed by Kamineni Steel Power Private Limited U/s 10 of IPC 2016, read with Rule 7 of Insolvency and Bankruptcy Code 2016, by seeking to initiate Corporate Insolvency Resolution Process in respect of Kamineni Steel & Power India Private Limited. After hearing the case the Tribunal admitted the case on 10.02.2017 and also appointed Shri Chodavarapu Bala Mouli, Learned Resolution Professional and passed Moratorium.
4. In pursuance to the above order, the Insolvency Resolution Professional has made public announcement in newspaper notification viz, the Hindu and the Sakshi on 16.02.2017 and the same was also displayed in Insolvency Bankruptcy Board of India (IBBI website) calling for



submission of claims from all creditors including employees, workmen etc, and fixed time limit as 24.02.2017. The Company has also served the copy of NCLT order dated 10.02.2017 to the Indian Bank, Industrial Surabhi RK Koti Hyderabad vide letter dated 13.02.2017 and the same was acknowledge by them on 16.02.2017. Indian Bank is one among the 8 banks of consortium and being the lead bank with a share of about 20% of the total debt of 8 lenders viz Indian Bank, Oriental Bank of Commerce, Allahabad Bank, Indian Overseas Bank, Central Bank of India, Andhra Bank, Bank of Maharashtra and Karur Vysya Bank/JM Financial Asset Reconstructions Company Private Limited.

5. He further submitted that five (5) Meetings of the creditors were conducted on 08.03.2017, 06.04.2017, 12.05.2017, 27.06.2017 and 20.07.2017. During the 2nd Creditors Meeting held on 06.04.2017, the Corporate Debtor submitted a Resolution Plan to the Resolution Professional and the same was discussed in detail during the 3rd meeting held on 12.05.2017 and resolved to appoint SBI Capital Markets Limited for a study on the resolution plan submitted by the Corporate Debtor. Subsequently, the SBI Capital Markets Limited was appointed and submitted its Report during the month of June, 2017 to the Resolution Professional and the Financial Creditors. The Report was reviewed in the 4th Creditors Meeting held on 27.06.2017 and it was suggested the structure for fresh infusion of funds of Rs. 150 crores as projected in the Resolution plan should come as non-priority debt instead of a Priority Debt and advised the Corporate Debtor to come out with a revised resolution plan by 14.07.2017. Accordingly, a



modified plan was submitted by the Corporate Debtor vide its letter dated 13.07.2017. The modified plan was considered and discussed in the 5th Meeting of the Creditors on 20.07.2017 and the CoC expressed that they have to go to their respective Boards for approval of any of their resolutions.

6. He further submitted that the Company Petition is to be disposed by 10.08.2017 i.e. within six months from the date of admission of Petition/appointment of RP i.e. 10.02.2017. In these circumstances, he submitted that the fifth creditors meeting was conducted on 20th July, 2017 with 100% members present and it was unanimously resolved to seek an extension of 90 days' time, beyond the stipulated period of 180 days, as per provisions contained under Section 12 (2) and (3) of the Insolvency and Bankruptcy Code, 2016, to enable the Members to obtain final TEV from SBI Capital Markets Limited, and thereafter to go to their respective Boards for necessary instructions.



7. Further, the Resolution Professional submitted that his certificate of Registration with IBBI, as Insolvency Professional has been given a new registration number. IBBI/IPA-001/IP-NOO321/2017-18/10608 on 19.07.2017 in place of his earlier number.
8. Shri V.K. Sajith, Counsel for the Financial Creditor i.e. Indian Bank filed an Affidavit dated 26.06.2017 by submitting that the resolution plan was submitted by the Corporate Debtor to the Committee of Creditor(s) and the same has to be placed before the management of the respective financial creditors for approval and the proposed

plan requires careful scrutiny and consideration. Hence, he prayed to grant time for reporting the decision of the financial creditor with regard to the proposed resolution plan submitted by the Corporate Debtor.

9. I have carefully considered all developments taken place in the resolution process from its initial stage till date. The Learned Resolution Professional has taken proper steps in accordance with the extant provisions of IBC & IBBI Rules for Resolution Process in question. As per Section 12 of IBC 2016, the Adjudicating Authority is empowered to grant extension, if it is satisfied that the subject matter of the case is such that Corporate Insolvency Resolution process cannot be completed within 180 days, however, subject to passing a resolution by a Committee of Creditors (CoC) by vote of 75% of its voters. The Minutes of 5th Creditors of Committee was held on 20/07/2017 at 3.00 pm at Tajmahal Hotel, Hyderabad. The following members of the CoC attended the meeting conducted by Shri C.B. Mouli, Resolution Professional along with Shri P. Venkatesh, Chief Financial Officer. The meeting was attended by all 100% creditors and resolved as follows:-

1. Mr. M. Prabhakara Reddy, Branch Manager / AGM, Indian Bank
2. Mr. D. Sudhakara Rao, AGM, Zonal Office, Indian Bank
3. Mr. D. Sudhakar, Sr. Manager, Indian Bank
4. Mr. P. Santhi Sagar, Chief Manager, Zonal Office, Indian Bank
5. Mr. C.V.R. Reddy, Chief Manager, Allahabad Bank
6. Ms. Vachana, R.S. Officer, Allahabad Bank
7. Mr. Ashlesh Bal, Sr. Associate, JM Financial Asset Reconstruction Co. Pvt. Ltd.
8. Mr. Dharmendra Prasad, Chief Manager, Oriental Bank of Commerce.
9. Ms. Sushma, Sr. Manager, Indian Overseas Bank



10. Mr. D. Venkata Ramana, General Manager, Indian Overseas Bank
11. Mr. B. Venkata Narayana, AGM , Indian Overseas Bank
12. Mr. J.V. Mohan Kumar, Chief Manager, Bank of Maharashtra.
13. Mr. Rama Chandra M. R, Chief Manager, Bank of Maharashtra
14. Mr. Lakku Das A, Sr. Manager , Andhra Bank
15. Mr. S. Siva Sankaran, Chief Manager, Central Bank of India
16. Mr. Y. Anil Kumar, AGM, Central Bank of India.



10. In view of the above facts and circumstances of the case, I am satisfied that the process of Corporate Insolvency Resolution cannot be completed within the stipulated period of 180 days and thus, it requires further extension of 90 days for resolving the issue in question. Therefore, the Company Application bearing CA No. 139/2017 is allowed by granting further extension period of 90 days from 09.08.2017, by exercising the powers conferred under Sections 12 (3) of IBC, 2016. It is made clear that no further extension is permissible under the Code and parties are directed to complete the Resolution Process well before the completion of the extension period.

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OF THE ORIGINAL**

V. Annapoorna
V. ANNAPOORNA
Asst. DIRECTOR
NCLT, HYDERABAD.

Sd/-
Rajeswara Rao Vittanala

Member (J)

*order received by the
Registry on 3/8/2017*
प्रसंगित प्रति
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केस संख्या
CASE NUMBER... (C.A.) No. 139/2017 IN
निर्णय का तारीख (PLB) No. 11/10/HDB/2017
DATE OF JUDGEMENT... 27-7-2017
प्रति तैयार किया गया तारीख
COPY MADE READY ON... 2-8-2017