

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

CA No.218 of 2017 in
CP(IB) No.52/10/HDB/2017

U/s 60(5) of IBC, 2016
R/w Regulation 29 of IBBI (Insolvency Resolution
Process for Corporate Persons) Regulation, 2016

IN THE MATTER OF

Mr. Ram Ratan Kanoongo
Resolution Professional of
The Sirpur Paper Mills Limited
5-9-22/1/1, First Floor
Adarsh Nagar, Hyderabad-500063

....Applicant /
Resolution Professional

Date of order: 25.01.2018

Coram:

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

Parties / counsels present:

The RP:	Shri Ram Ratan Kanoongo, Resolution Professional
For the Petitioner:	Ms. Siri Preeti, Advocate
For the Corporate Debtor:	Shri G. Sudeer Kumar Advocate

Per: Rajeswara Rao Vittanala, Member (Judicial)

ORDER

1. The present Company Application bearing CA No. 218 of 2017 in CP (IB) No. 52/10/HDB/2017 is filed by Shri Ram Ratan Kanoongo, Learned Resolution Professional of the Sirpur Paper Mills Limited (corporate Debtor), under Section 60 (5) of Insolvency



and Bankruptcy Code, 2016, R/w Regulation 29 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulation 2016, by inter-alia seeking directions to permit him to sell the inventory consisting of pulp, waster paper, semi-finished goods, finished goods, coal and other scrap material belonging to Corporate Debtor situated at the factory premises at Sirpur Kaghaznagar which are presently encumbered to the lenders comprising of IDBI Bank Ltd, State Bank of India, Central Bank of India, Andhra Bank and Syndicate Bank (consortium arrangement) with IDBI as lead bank, who are also the part of CoC and to utilise the proceeds for the purpose of CIRP cost / maintenance costs of Corporate Debtor.

2. Heard Shri Ram Ratan Kanoongo, Learned Resolution Professional. He submits that as per the powers conferred on him, under Section 29 of the IBC, 2016, he is authorised to sell unencumbered assets of the Corporate Debtor other than in the ordinary course of business. Therefore, the Adjudicating Authority is empowered to pass appropriate orders under section 60 (5).
3. The Learned Resolution Professional further submit that as per Resolution (7) of the 3rd Meeting of CoC held on 08.12.2017, has approved the sale of inventory like pulp, waste paper, semi-finished goods, finished goods, coal and other scrap material scattered throughout the plant of the Corporate Debtor situated at Sirpur Kaghaznagar and informed the CoC that it is necessary to sell the above inventory for better realization of value under the facts and circumstances of the case. He has also apprised CoC that these stocks are losing value with passage of time and are fire hazardous materials



twice there were incidents of fire in the recent years losing value continuously. Since the inventory is encumbered, the CoC has asked to approve the sale of inventory in question. Accordingly, the CoC has unanimously approved sale of the stock through public tender process and to utilise the realised proceeds for the purpose of CIRP cost / maintenance costs of the Corporate Debtor. Accordingly, the CoC approved, subject to appropriate orders passed by this Tribunal. He therefore, submits approval of this Tribunal by exercising power under Section 60 (5) of IBC, prays to intervene to execute the resolution, as passed by the CoC in the interest of justice and thus will not come in the way of CIRP as stipulated and he has also undertaken to give the issue of sale of inventory top priority and settle the issue as early as possible.

4. We have perused all the material documents and orders passed by this Tribunal and the extant provisions of the IBC, and convinced that the relief sought by the Resolution Professional is justified. It would be in the best interest of the Company that the stocks in question are to be auctioned duly following the relevant process of law.
5. In the result, Company Application bearing CA No.218 of 2017 in CP (IB) No. 52/10/HDB/2017 is allowed as prayed for with the following directions.
 - (a) To sell the inventory consisting of pulp, waste paper, semi-finished goods, finished goods, coal and other scrap material belonging to Corporate Debtor situated at the factory premises at Sirpur Kaghaznagar which are presently encumbered to the lenders comprising of IDBI Bank Ltd, State Bank of India, Central Bank of India, Andhra



Bank and Syndicate Bank (consortium arrangement) with IDBI as lead bank, who are also the part of CoC and to utilise the proceeds for the purpose of CIRP cost / maintenance costs of Corporate Debtor.

- (b) After realization, the Learned Resolution Professional is directed to place all the process of public auction, realization value and file a separate affidavit to this Tribunal.



Sd/-
RAVIKUMAR DURAISAMY
MEMBER (TECHNICAL)

Sd/-
RAJESWARA RAO VITTANALA
MEMBER (JUDICIAL)

S. Anantha Kumar
for Dy. Regr./Asst. Regr/Court Officer/
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति
CERTIFIED TRUE COPY
केस संख्या
CASE NUMBER *CP No. 218 of 2017 in CP(IB) No. 52/10/HDB/2017*
निर्णय का तारीख
DATE OF JUDGEMENT *25.1.2018*
प्रति तैयार किया गया तारीख
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