



Casebook Issue 53:

**Insolvency Tale of Global
Rural Netco Limited**

**INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA**



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About Global Rural Netco Limited

Global Rural Netco Limited is a Non-government company, incorporated on 13th May, 2009. It's a public limited company with authorized capital stands at Rs 30000000000/- and has a paid-up capital which of Rs 17500/-. Global Rural Netco Limited is majorly deals in Transport, storage and Communications business. Global Rural Netco Ltd. provides network infrastructure solutions. The Company offers shared backhaul services, shared distributed antenna systems, and other network infrastructure solutions. Global Rural Netco serves mobile operators, internet service providers, and utility providers worldwide.

Global Rural Netco Ltd, was formed with a view to provide specialized and low cost macro/ indoor coverage solutions to the service providers using advanced hybrid/ active networks. The company delivers its solutions on a build, own and operate basis making it a complete outsourcing model with little or no customer involvement.

The Board of directors consist of Mr. Ganesh Ratnakar Naik, Mr. Ashish Keshavrao Kandekar and Mr. Rakesh Dhonduram Panchal . The Company's registered office is 'Global Vision", Electronic Sadan II, Midc,Ttc Industrial Area, Mahape Navi Mumbai, Mumbai City MH-400710.

Major Creditors/Bankers:

M/s. Ada Cellworks Wireless Engineering Private Limited is the operational creditor of the Global Rural Netco Ltd.

CIRP OF GLOBAL RURAL NETCO LIMITED

M/s. Ada Cellworks Wireless Engineering Private Limited files an application for initiating CIRP under section 9 of the Insolvency and Bankruptcy Code, 2016 ²

Company Petition filed under Section 9 of the Insolvency & Bankruptcy Code, 2016 ("IBC") read with Rule 6 of Insolvency & Bankruptcy (AAA) Rules, 2016, by an Operational Creditor, (hereinafter referred as 'the Creditor')namely, M/s. Ada Cellworks Wireless Engineering Private Limited, who supplied optic Fiber cable to Global Rural Netco Limited (hereinafter referred as 'the Debtor'). The Corporate Debtor, had committed a default on 31.07.2018 in making payment of Rs. 6,70,00,000/- . The AA appointed the IRP to carry the functions as mentioned under the Code.

Order of Moratorium & Public Announcement³

As per the order of AA, the Moratorium came into effect from 18th February, 2019 and shall remain effective till the completion of the corporate insolvency resolution process or until the AA approves the resolution plan under sub-section (1) section 31 of IBC or passes an order for liquidation of corporate debtor under section 33 of IBC, as the case may be.

Public announcement of the Corporate Insolvency Resolution Process was made immediately as specified under section 13, IBC, 2016

Appointment of RP 4

The Creditor filed an application that the CoC in its 1st meeting held on 20th March, 2019, appointed another IP as Resolution Professional in place of Ms. Dipti Mehta. The said resolution was passed with 100% voting in the CoC. The same was approved by the AA vide an order dated 15.04.2019.

Appointment of Valuer⁵

The CoC in its meeting 4th meeting held on 16th August, 2019 decided to appoint a Valuer. The RP accordingly appointed two registered valuers as required under Regulation 27 of the IBBI (IRP for Corporate Persons) Regulations, 2016 and the Information Memorandum was prepared as provided under Regulation 36(1) of the said regulation.

NCLT passes the Liquidation Order 6

The Resolution Professional submits that in the 4th CoC meeting held on 16th August, 2019, the CoC having 100% voting rights passed a resolution for liquidating the company in view of the fact that the no Resolution Plan was received in stipulated time period.

Accordingly, the Resolution Professional filed an application for liquidation of the Company as provided u/s 33 of the Insolvency & Bankruptcy Code, 2016 (Code).

Application filed by the Resolution Professional under section 33(1) IBC, 2016 for seeking the following reliefs:

1. To pass an order under section 33 of the Insolvency & Bankruptcy Code, 2016, to approve the Liquidation Process.


2. To pass an order of appointment of Mr. Laxmikant Yeshwant Desai as Liquidator in the matter.

The consent to act as liquidator under section 34(1) of the IBC, 2016 was duly provided Global Rural Netco Limited (hereinafter referred as 'the Debtor'), provided by Mr. Desai.


The AA decided that the Liquidator for conduct of the liquidation proceedings would be entitled to the fees as provided in Regulation 4 of the IBBI (Liquidation Process Regulations), 2016. The Liquidator appointed under section 34(1) of the Code, will have all powers of the board of directors, key managerial personnel and the partners of the Corporate Debtor, as the case may be, shall cease to have effect and shall be vested with the liquidator.


The Liquidator is directed to send this notice to the Registrar of Companies.


Timeline


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- 18.02.2019
 - NCLT admitted application for CIRP.

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- 18.02.2019
 - Order of Moratorium & Public Announcement

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- 15.04.2019
 - Appointment of Resolution Professional

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- 16.08.2019
 - Appointment of Valuer

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- 02.03.2020
 - Liquidation Order passed by NCLT

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- 02.03.2020
 - Appointment of Liquidator

Bibliography

1<https://www.mca.gov.in/mcafoportal/companyLLPMasterData.do>

2<https://nclt.gov.in/sites/default/files/Interim-order-pdf/ADA%20CELLWORKS%20WIRELESS%20ENGINEERING%20PVT.%20LTD.%20CP-2760-2018%20NCLT%20ON%2018.02.2019%20INTERIM.pdf>

3<https://nclt.gov.in/sites/default/files/Interim-order-pdf/ADA%20CELLWORKS%20WIRELESS%20ENGINEERING%20PVT.%20LTD.%20CP-2760-2018%20NCLT%20ON%2018.02.2019%20INTERIM.pdf>

4https://nclt.gov.in/sites/default/files/Interim-order-pdf/ADA%20CELLWORKS%20WIRELESS%20ENGINEERING%20PVT.LTD_.%20CP%202760%20OF%202018%20NCLTON%2015.04.2019%20INTERIM.pdf

5<https://nclt.gov.in/sites/default/files/feb-Interim-Order-pdf/Ada%20Cellworks%20Wireless%20Engineering%20Pvt%20Ltd%20vs.%20Global%20Rural%20Netco%20Ltd.%20MA%203487%20of%202019%20in%20CP%202760%20of%202018%20MA%20AI%20lowed%2002.03.2020.pdf>

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