



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

Casebook Issue

35:

**Insolvency Tale of
Navrang Roadlines
Private Limited**

**INSOLVENCY
UNCOVERED**

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About Navrang Roadlines Private Limited 1

Navrang Roadlines Private Limited is a Non-govt company, incorporated on 08 June, 2000. It's a private company and is classified as 'company limited by shares'.

Company's authorized capital stands at Rs 1200.0 lakhs and has 78.191666% paid-up capital which is Rs 938.3 lakhs. (MCA).

Navrang Roadlines Private Limited is in the business from last 20 years. Company is registered in Ahmedabad (Gujarat) Registrar Office. It's registered address is G-13 Vijay Plaza Oppdairy Kankaria Road 22 Ahmedabad.

Directors of Navrang Roadlines Private Limited are Manojkumar Bishwanath Jindal and Anupkumar Bishwanath Jindal.

Navrang Roadlines Private Limited provided logistics services. The Company offered transportation, consignment warehousing, and door to door pick up and delivery services. Navrang Roadlines served customers in India.

Major Financial Creditors/Bankers

The Financial creditor for Corporate Debtor ("CD") M/s. Navrang Roadlines Private Limited were Punjab National Bank, Diwan Housing Finance corporation limited, Tripoli management private limited and Incred financial services limited.

The Operational Creditor of the Company was Mr. Indraaj Sharma sole Proprietor of Sharma Motor Body Repairing.

CIRP of Navrang Roadlines Private Limited

Mr. Indraj Sharma files an application for initiating CIRP under section 9 of the Insolvency and Bankruptcy Code, 2016 ²

Mr. Indraj Sharma sole Proprietor of Sharma Motor Body Repairing, filed Petition 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 Mr. Indraj Sharma, who is the business of body repairing for the trucks and other vehicles. The Corporate Debtor, namely, Navrang Roadlines Private Limited (hereinafter referred as 'the Debtor'), have committed default till 26.02.2019 in making payment of Rs. 21,38,950/- .

As the Operational creditor did not propose the name of IRP, the Adjudicating Authority appointed Mr. Sachin Bhattbhatt, as the IRP to carry the functions as mentioned under the Code.

Registry is directed to inform the office of Registrar of Companies that the Corporate Debtor is under CIRP and, therefore, no proceedings for striking off name for non-compliance of Section 159 to 162 & 220 of the Companies Act, 2013.

Order of Moratorium & Public Announcement³

Moratorium shall have effect from 24th February, 2020 it shall remain effective till the completion of the corporate insolvency resolution process or until this Bench 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

NCLT passes the Liquidation Order 4


RP through its Ld. Counsel filed under section 33 & 34 of IBC, 2016, filed application for liquidation of the Corporate Debtor, under the resolution passed by the CoC. During CIRP, no resolution plan was submitted; therefore, the members of the CoC decided for liquidation of the Corporate debtor. CoC in its 04th meeting on 07th August, 2020 resolved to liquidate the Corporate Debtor with 99.3 % voting shares. Mr. Sachin Bhattbhatt, to act as liquidator in terms of section 32(1) of the IBC, 2016. The liquidator to issue public announcement stating that the Corporate Debtor is in Liquidation in terms of Regulation 12 of the IBBI(Liquidation Process) Regulations , 2016.

The Liquidator for conducting the liquidation proceedings would be entitled to the fees as provided in Regulation 4 of the IBBI (Liquidation Process Regulations), 2016 and the same will be paid to the Liquidator from the proceeds of the Liquidation Estate u/s 53 of the code. Registry was directed to communicate this order to the Registrar of Companies, NCT of Delhi & Haryana and to the IBBI.


Fresh Moratorium under section 33(5) to commence.


The personnel of the Corporate Debtor shall extend all assistance and cooperation to the liquidator as may be required by him in managing the affairs of the Corporate Debtor.

Timeline

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- 24.02.2020
 - NCLT admitted application for CIRP.

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- 24.02.2020
 - Order of Moratorium & Public Announcement

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- 18.10.2019
 - Decision of CoC to file for liquidation

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- 17.09.2020
 - Liquidation Order passed by NCLT

Bibliography

1 <https://www.tofler.in/navrang-roadlines-private-limited/company/U06301GJ2000PTCo38173>

2 https://nclt.gov.in/sites/default/files/feb-final-orders-pdf/Scan_20200227.pdf

3 https://nclt.gov.in/sites/default/files/feb-final-orders-pdf/Scan_20200227.pdf

4 <https://nclt.gov.in/sites/default/files/September/final-orders-pdf/FINAL%20IA%20592%20of%202020%20in%20CP%28ib%29%20368%20of%202019.pdf>