



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

## **Casebook Issue 36:**

**Insolvency Tale of  
Pannalal Cold Storage  
Private Limited**

**INSOLVENCY  
UNCOVERED**

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### **About M/s Pannalal Cold Storage Private Limited 1**

Pannalal Cold Storage Private Limited is an unlisted private company. It is classified as Non-Government Company and is registered with the Registrar of Companies, Kolkata. It was incorporated on 24 May, 2010 and is located in Hooghly, West Bengal. Its registered address is Lakshmanpur (Ansh) Uttarpara, Nandipara, Majherpara, PO-Lakshmanpur, Hooghly – WB- 712404

Its authorized share capital is Rs. 2 crores and its paid up capital is Rs. 2 crores. It is involved in Cold storage.

Pannalal Cold Storage Private Limited had two directors - Samir Bali and Sisir Bali

### **Major Financial Creditors/Bankers 2**

The major financial creditor is United Bank of India with a credit exposure of Rs. 13.70 crores.

## **CIRP of M/s Pannalal Cold Storage Private Limited2**

### **CIRP initiation under Section 7 of I&B Code, 2016**

Insolvency and Bankruptcy Code, allowed financial creditor either by itself or jointly with other financial creditors, or any other person on behalf of the financial creditor, may file an application for initiating corporate insolvency resolution process against a corporate debtor before the Adjudicating Authority when a default has occurred under Section 7.

### **Admission and Initiation of CIRP of M/s Pannalal Cold Storage Private Limited**

Corporate Insolvency Resolution Process (CIRP) was initiated and was presented for hearing before the Adjudicating Authority, NCLT of Kolkata Bench. The bench was represented by Mr. Mekhala Kanji Advocate and Mr. Gitasree Chattopadhyaya Advocate to represent Union Bank of India and none represent for M/s Pannalal Cold Storage Private Limited.

Application was filed under Section 7 of the IBC read with Rule 4 of Insolvency & Bankruptcy (Application to AA) Rules, 2016 by Union Bank of India who was the Financial Creditor seeking initiation of CIRP of M/s Pannalal Cold Storage Private Limited on 21<sup>st</sup> Oct, 2019.

### **Appointment of Mr. Santanu Bhattacharjee as the IRP**

On 21<sup>st</sup> Oct, 2019, vide order number CP (IB)/132/NCLT/KB/2019 Mr. Santanu Bhattacharjee was appointed as the Interim Resolution Professional (IRP). The

name of Mr. Bhattacharjee was proposed by the financial creditors United Bank of India. The IRP Mr. Bhattacharjee was directed to do all the necessary actions in terms of announcements, publications and declarations in consonance with the Code.

### **Invitation for Prospective Resolution Applicant3**

Mr. Bhattacharjee invited the Resolution plan from Prospective Resolution Applicants. Public Announcement in terms of Regulation 4 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 was made in English Newspaper Financial Express on 23rd October, 2019 inviting all the creditors of M/s Pannalal Cold Storage Private Limited to submit their claim.

To this invitation prospective applicants submitted their Expression of Interest (EOI). After analysing all the credentials and parameters of eligibility, M/s. Hamudar Rahaman Sekh & others as Resolution Applicant.

The resolution plan submitted by M/s. Hamudar Rahaman Sekh & Others was discussed in detail by the CoC and CoC being found the plan is feasible and viable, voted by the CoC with 100% voting in favour of the resolution plan.

The Resolution plan submitted by M/s. Hamudar Rahaman Sekh & others has been approved by COC. On 10<sup>th</sup> March, 2020 COC members approved with 100% voting share.

### **Highlights of the Resolution Plan**

The said Resolution Plan includes the financial outlay as certified by the Resolution Professional including inter –alia:

- Provides mechanism for management of affairs of Corporate Debtor after approval of Resolution Plan.
- Provides mechanism for effective implementation and supervision of the Resolution Plan.
- The Plan provides specific source of funds to pay insolvency resolution process costs payable in priority to payment of other debts.
- No claim is received from any workmen as submitted.
- All the operational creditors' claims agreed to pay by the resolution applicant.
- The Corporate Debtor is a going concern and the RP managed to run the company on profit.

**CIRP Timeline**



- 24th May, 2010
- Date of incorporation of M/s Pannalal Cold Storage Private Limited*



- 31st July, 2018
- CIRP of M/s Pannalal Cold Storage Private Limited*
- Appointment of Mr Santanu Bhattacharjee as IRP*



- 23rd Oct, 2019
- Public Announcement



- 28th Aug, 2018
- Sixth Meeting
  
- 10th March, 2020
- COC approved



- 15th June, 2020
- Resolution Plan Approved

## **Bibliography**

1. <http://www.mca.gov.in/mcafoportal/companyLLPMasterData.do>
2. <https://ibbi.gov.in/orders/nclt?title=panna&date=&nclt=>
3. <https://nclt.gov.in/interim-order/314216>