



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT- I) CHENNAI**

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **28.11.2024** THROUGH VIDEO CONFERENCING

PRESENT: HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

IN THE MATTER OF : Smartpaddle Technology Pvt Ltd
Vs
Fashion Influence clothing India Pvt Ltd

MAIN PETITION NUMBER : CP(IB)/7(CHE)/2023

(IA/MA) APPLICATION NUMBERS

IA(Liq)/32/2024

ORDER

Present: Ld. Counsel Ms. Padma Priya for the Applicant / RP.

Vide separate order pronounced in Open Court, the application is allowed. The company M/s. Fashion Influence clothing India Pvt Ltd is liquidated. Shri. V. Duraisamy is appointed as Liquidator.

Sd/-

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

MG

Sd/-

(SANJIV JAIN)
MEMBER (JUDICIAL)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH – I, CHENNAI**

IA(IBC)(LIQ)/32/CHE/2024 in CP(IB)/7/CHE/2023

*(Filed under Section 33(1)(a) of the Insolvency and Bankruptcy Code, 2016 read
with Rule 11 of NCLT Rules, 2016)*

In the matter of *Fashion Influence Clothing (P) Limited*

Mutharasapuram Ganesan Chandrasekaran

Resolution Professional

Flat No 104, Tiana, House of Hiranandani, 5/63 OMR,

Egattur, Navalur (Post), Chengalpattu (District),

Near Marina Mall,

Chennai, Tamil Nadu, 600130

... Applicant

Order Pronounced on 28th November, 2024

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)

VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

For Applicant : Ananda Gomathy, Advocate

For Suspended Board of Directors : V. Manivannan, Advocate

For RP: Jayaganga, Advocate

M.G Chandrasekaran, RP in person

ORDER

(Heard Through Hybrid Mode)

This is an application filed under Section 33(1)(a) of the
Insolvency and Bankruptcy Code, 2016 read with Rule 11 of NCLT
Rules, 2016 seeking reliefs as follows:



“(a) That the Corporate Debtor be ordered and directed to be liquidated as per Section 33 (1) (a) of the Code;

(b) That this Hon’ble Tribunal, Chennai Bench, be pleased to appoint the Applicant viz. Mr Mutharasapuram Ganesan Chandrasekaran, Resolution Professional, IBBI Reg No. IBBI/ IPA-003/00337/2021-2022/13620 as the liquidator in respect of the Corporate Debtor;

(c) For such other and further reliefs as the Hon’ble Tribunal, Chennai Bench, may deem fit in the facts and circumstances of the present case.”

2. It is stated that M/s Smartpaddle Technology Pvt. Ltd, an operational creditor had filed an application against the Corporate Debtor for initiating Corporate Insolvency Resolution Process and the same was admitted by this Tribunal vide order dated 22.11.2023 in CP/IB/7/CHE/2023. The Applicant was appointed as an Interim Resolution Professional and subsequently, was appointed as Resolution Professional in first CoC meeting held on 22.12.2023.

3. It is stated that though the Applicant was appointed as early as on 22.11.2023 but he could not carry out his duties due to lack of cooperation by the Suspended Board of Directors ("SBoD").



4. It is stated that the books of accounts and documents pertaining to the corporate debtor obtained from the Government portals pointed out that undesirable and fraudulent activities could have been committed by the suspended directors of the Corporate Debtor. Therefore, the Applicant filed an application before this Tribunal vide IA No. 665/2024 in C.P (IB) No. 7/2023 to direct respondents to produce the documents. The Application was disposed of vide order of this Tribunal dated 12.03.2024. However, Respondents failed to produce the entire documents to the Applicant and hence a Contempt Petition vide Cont.App(IBC) No. 9/2024 was filed.

5. It is stated that the Applicant filed an application under section 66 of IBC, 2016 vide No. IA/IBC/1625(CHE)/2024 against SBoD before this Tribunal.

6. It is stated that the Applicant called for expression of interest (EoI) by publishing Form G dated 21.01.2024. The SBoD transferred Rs.50,000 towards refundable process participation deposit but other necessary supporting documents were not submitted by



SBoD. It is stated that since there were no prospective resolution applicants for the Form G and therefore, the CoC resolved to initiate liquidation proceedings against the Corporate Debtor in the 5th CoC held on 03.05.2024.

7. It is stated that the applicant filed an application for early liquidation vide IA(Liq)/11(CHE)/2024. The application was disposed of by this Tribunal vide order dated 11.07.2024 extending the CIRP period and directions were issued to file fresh Form-G inviting expression of interest.

8. It is stated that pursuant to the order, Form G was published on 23.07.2024 and the last date for submission of resolution plan was 06.10.2024. The SBoD transferred Rs 50,000/- towards refundable process participation deposit but did not submit EoI application and other necessary supporting documents. The SBOD was requested to submit the relevant documents before 16.08.2024 so that Provisional list of Prospective Resolution applicants could be finalized on 17.08.2024. However, the SBoD failed to do so and the RP issued provisional lot stating that SBoD is ineligible. The last date for receipt of objections to provisional list of prospective



resolution applicant was 22.08.2024 and the SBoD did not raise any objection to its ineligibility till 22.08.2024. It is stated that were no successful applications were received for the re-published Form G and hence, the applicant has filed the instant application.

9. During the hearing dated 14.11.2024, a memo was filed by the Applicant proposing the name of the Liquidator, Shri. V. Duraiswamy. The written consent of the proposed liquidator and the authorization for assignment was also filed by the Applicant.

10. We have heard the submissions and perused the record.

11. It seen that Cont. App (IBC)/9/2024 was disposed of by order of this Tribunal dated 24.10.2024 wherein the Respondents were directed to provide documents / information within a period of 3 weeks.

12. It is also seen that IA/IBC/1625(CHE)/2024 has been filed under Section 66 of IBC, 2016. The Applicant has also filed IA(IBC)/2097(CHE)/2024 seeking directions to the suspended directors to hand over the Ongole Shop premises and Administrative office portion situated at Gudur to the



Applicant/Resolution Professional and to lock the premises to secure the stocks and other materials it is handed over. Both the applications are pending for adjudication before this Tribunal.

13. The applicant has annexed **Form-H** and the same is placed at **Page Nos. 82-90** of the Application typeset. It is seen from the Form-H that PUFEE application is pending in IA/IBC/1625(CHE)/2024.

14. It is seen that the CIRP period commenced on 22.11.2023. This Tribunal vide order dated 11.07.2024 in IA(Liq)/11(CHE)/2024 extended the CIRP period by 60 days from 11.07.2024 and issued directions for re-publishing of Form-G. However, no resolution plan was received before the expiry of the CIRP period on 09.09.2024.

15. It is seen that in the 10th CoC meeting held on 27.08.2024, the members considered for the initiation of liquidation proceedings against the Corporate Debtor under Section 33 of IBC, 2016. The CoC unanimously approved the liquidation of the Corporate Debtor. The summary of voting on the initiation of liquidation proceedings against the Corporate Debtor is reproduced hereunder,



Names of Members	Voting share	Voted For	Voted against	Abstained (by voting / by not voting)
City Union Bank Limited	97.80%	97.80%	--	--
Sai Deepti Reddy Cherukuru	2.20%	2.20%	--	--

Voting Category	Number of members	Value of votes polled	Percentage of total votes	Percentage of votes polled
<i>Voted in favor</i>	2	27,96,45,400	100%	100%
<i>Voted Against</i>	0	--	--	--
<i>Sub-total</i>	2	27,96,45,400	100%	100%
<i>Abstained/not voted</i>	0	--	--	--
<i>Total</i>	2	27,96,45,400	100%	100%

16. As per Section 33(1)(a) of IBC, 2016, liquidation proceedings may be initiated against the Corporate Debtor, when no resolution plan is received before the expiry of the insolvency resolution process period or before the maximum period permitted for completion of the corporate insolvency resolution process under Section 12 of IBC, 2016. In the present case, no resolution plan has been received before the expiry of the CIRP period on 06.07.2024. Since no resolution plans has been received and an application for extension of CIRP has not been filed, liquidation process is to be initiated against the Corporate Applicant in terms Section 33(1)(a) of IBC, 2016. We therefore order for initiation for liquidation proceedings against the Corporate Debtor, M/s Fashion Influence Clothing (P) Limited.



17. The proposed Liquidator, Shri. V. Duraisamy filed his written consent to act as the Liquidator of the Corporate Debtor and also on verification from the IBBI Website, it is seen that the Authorization for Assignment (AFA) for the said person is valid up to 31.12.2025.

18. We hereby appoint *Shri. V. Duraisamy, with Reg. No. IBBI/IPA-002/IP-N00609/2018-2019/11862* as the Liquidator of the Corporate Debtor, to carry out the liquidation process subject to the following terms of the directions.

- a) The Liquidator shall strictly act in accordance with the provisions of IBC, 2016 and the attendant Rules and Regulations including Insolvency and Bankruptcy (Liquidation Process) Regulations, 2017 as amended upto date enjoined upon her.
- b) The Liquidator shall issue the public announcement that the Corporate Debtor is in liquidation. In relation to officers/ employees and workers of the Corporate Debtor, taking into consideration Section 33(7) of IBC, 2016, this order shall be deemed to be a notice of discharge.
- c) The Liquidator shall investigate the financial affairs of the Corporate Debtor particularly, in relation to preferential transactions/ undervalued transactions and such other like



transactions including fraudulent preferences and file suitable application before this Adjudicating Authority.

- d) The Liquidator is directed to proceed with the process of liquidation in a manner laid down in Chapter III of Part II of the Insolvency and Bankruptcy Code, 2016.
- e) The Liquidator is directed to investigate the financial affairs of the Corporate Debtor in terms of the provisions of Section – 35(1) of IBC, 2016 read with relevant rules and regulations and also file its response for disposal of any pending Company Applications during the process of liquidation.
- f) The Liquidator shall submit a Preliminary report to this Tribunal within 75 (seventy-five) days from the liquidation commencement date as per regulation 13 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016. Further such other or further report as are required to be filed under the relevant Regulations, in addition, shall also be duly filed by him with this Adjudicating Authority.

19. The Operational Creditor is directed to deposit INR 2,00,000/- (Indian Rupees Two lakhs) to the bank account of the Liquidator within one week, towards his expenses. This shall be subjected to the rules and regulations under the provisions of the Insolvency and Bankruptcy Code, 2016.



20. The Registry is directed to communicate this order to the Registrar of Companies, concerned and to the Insolvency and Bankruptcy Board of India;

21. The order of Moratorium passed under Section 14 of the Insolvency and Bankruptcy Code, 2016 shall cease to have its effect and that a fresh Moratorium under section 33(5) of the Insolvency and Bankruptcy Code shall commence.

22. Copy of this order be sent to the financial creditors, Corporate Debtor and the Liquidator for taking necessary steps and for extending the necessary co-operation in relation to the Liquidation process of the Corporate Debtor.

23. With the above said directions, this **IA(IBC)(LIQ)/32/CHE/2024** filed for Liquidation of the Corporate Debtor stands **allowed**.

-Sd-

VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

-Sd-

SANJIV JAIN
MEMBER (JUDICIAL)

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