

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – II, CHENNAI
IA /IBC (LIQ) / 37 (CHE) / 2024
IN
CP(IBC) / 120 (CHE) / 2023**

*(Under Section 33(2) r/w Section 34 of Insolvency & Bankruptcy Code, 2016 along
with IBBI (Liquidation Process), 2016)*

Mr. Ramachandran Subramanian,
Resolution Professional of Lare FIBC and Energies Private Limited,
Old No.29, New No. 52, Raju Naicken Street,
West Mambalam, Chennai, Tamil Nadu – 600 033.
E-Mail: subraman267@yahoo.com

... Applicant

In the matter of

Canara Bank

... Applicant /Financial Creditor

Versus

Lare FIBC and Energies Private Limited,
(Formerly known as Techsun Energies Private Limited),
No. 111N/2G, State Bank Colony, South II Street,
Tuticorin, Tamil Nadu – 628 002.

... Respondent /Corporate Debtor

Order Pronounced on 22nd April 2025

CORAM

Shri JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)

Shri RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

Present:

For Petitioner/ RP : Mr. T. Jayashankar, Advocates.

ORDER

(Heard through video conferencing)

1. The Present application has been filed under Section 33 & 34 of the Insolvency & Bankruptcy code, 2016 (herein after termed as “the Code”) by *Mr. Ramachandran Subramanian, RP of Lare FIBC and Energies Private Limited*, i.e. the Corporate Debtor (hereinafter referred as “CD”) seeking following reliefs hereby:

“a) To pass an Order for liquidation of the Corporate Debtor i.e Lare FIBC and Energies Private Limited under Section 33(2) of the Insolvency and Bankruptcy Code, 2016;

b) To appoint Mr. Ramachandran Subramanian as Liquidator of the Corporate Debtor;
and
c) That the Hon'ble Tribunal may please to pass such orders or further orders as the nature and circumstances of the case may require and thus render justice."

2. The corporate debtor, was admitted to Corporate Insolvency Resolution Process, (hereinafter referred as "CIRP") vide an order dated 23.11.2023 passed by this Adjudicating Authority and one Mr. Muthuiah Thevar Rajapandian, was appointed as the Interim Resolution Professional of the CD.
3. Subsequently, vide order dated 04.01.2024 of this Tribunal in IA(IBC)/2304(CHE)/ 2023, the present applicant Mr. Ramachandran Subramanian, having Registration No. IBBI/IPA-001/IP/P-01440/2018-19/12136 has been appointed as RP, to perform the duties in respect of Mr. Muthuiah Thevar Rajapandian on considering the memo filed on 18.12.2023.
4. It is stated that, the applicant RP has received claims from creditors, namely Canara Bank, Director General of Foreign Trade and ESI Department, which after verification based on proof, admitted the claims as follows,

| S. No. | Creditor Details | Amount Admitted |
|---------------|-----------------------------------|------------------------|
| 1. | Canara Bank (Secured Creditor) | Rs.41,34,14,221.03/- |
| 2. | Director General of Foreign Trade | Rs.2,95,43,649/- |
| 3. | EPFO | Rs.23,00,831 |

5. It is stated that, RP vide emails dated 07.02.2024 & 29.02.2024, requested the suspended directors to share the accounting software details, Tally/SAP data of Corporate Debtor. As there was no support or co-operation from the suspended directors, the RP was forced to file separate proceeding for rendering due co-operation vide IA(IBC)/826(CHE)/2024 under Section 19(2) of the IBC, 2016.
6. It is notified that the CD did not file the financial statements and annual returns for almost 5 years since 31.03.2019.
7. It is stated that, the Invitation through Form G for Expression of Interest (EoI) for submission of a Resolution Plan in respect of the CD was published on 29.03.2024 along with necessary RFRP and Evaluation Matrix being shared with the Participants, where Rs.25 Lakhs was fixed as minimum upfront amount from the applicants for the purpose of financial commitment.

8. It is stated that, during the 7th CoC meeting, the future course of action was discussed regarding the CIRP of the CD, since there was no receipt of any resolution plan. It is discussed that, there were 12 applicants who were expressing interest at a point and none got materialized as there were no financial commitment or any advance payment from the applicants.
9. It is stated that, the Auditor who agreed to perform the transactional audit work withdrawn from the same, as there were no records to verify SAP/Tally data. Non Cooperation of the erstwhile management in sharing the arear data, made the resolution process unviable.
10. It is stated that, based on the suggestion of one Mr. Manvendra, Senior Manager, Law, extension of the CIRP for exploring opportunities and conduct EoI second time. The 90 days extension period of CIRP was sought vide IA(IBC)/1572(CHE)/2024 and order extending the CIRP was passed on 25.07.2024 with effect from 18.07.2024.
11. It is stated that, during the 2nd round of resolution, the Form G was published on 11.08.2024 and the Prospective Resolution Applicants were supposed to submit Resolution Plan on or before 20.09.2024. PRA's namely, Finextragrowth, Amit Gupta, Client help, Bodugu Sudhakar & Praveen Bansal submitted their EoI, pursuant to which the applicant RP shared the Information Memorandum, Evaluation Matrix and RFRP.
12. It is stated that, even during the 2nd round of resolution, none get materialized and the EoI process went in vain. The extended timeline granted was also about to expiry which made it imperative to push the CD into Liquidation as there was no Resolution Plan.
13. It is stated that the RP has appointed the registered valuers for valuing the Land and Building separately, while valuing the Plant & Machineries separately. The Valuation of the CD is given as follows,

| SL No. | Description | Fair Market Value | Liquidation Value | Remark |
|--------------|---------------|-------------------|-------------------|--------|
| P&M Valuer 1 | Machineries | 9,35,25,252 | 7,94,96,464 | |
| P&M Valuer2 | Machineries | 9,14,00,000 | 6,40,00,000 | |
| L&B Valuer 1 | Leasehold L&B | 5,50,29,950 | 4,12,72,462 | |
| L&B Valuer 2 | Leasehold L&B | 5,59,80,000 | 4,47,86,000 | |

14. It is submitted that, during the 10th CoC meeting dated 27.09.2024, the sole CoC member Canara Bank resolved to liquidate the CD due to Non-Receipt of any Resolution Plan and passed the same. The extracts of the resolutions from the minutes of 10th CoC is as follows,

MINUTES OF X COC MEETING OF THE CORPORATE DEBTOR - LARE FIBC & ENERGIES PRIVATE LTD WAS HELD ON FRIDAY 27TH SEPTEMBER 2024 THROUGH VC AT 3.00 PM AND THE FOLLOWING WAS TAKEN UP FOR DISCUSSION AND VOTING:

Members Present :

| | |
|-------------------------------------|--------------------------------------|
| Ramachandran Subramanian | Resolution Professional |
| Nagesh Kamath Madurai, FC | Chief Manager, ARMB, Canara Bank, |
| Venkatesh Goud Circle Office, FC | Senior Manager (LAW), Canara Bank, |
| Ganesh Bank, Circle Office, FC | Divisional Manager, R&L, Canara Bank |
| Subramanyeswara Rao Madurai, FC | Senior Manager, ARMB, Canara Bank, |

"RESOLVED THAT due to Non Receipt of any resolution plan during the CIRP, the liquidation proceedings of the corporate debtor maybe initiated in terms of the applicable provisions of law".

"RESOLVED FURTHER THAT the Resolution Professional is hereby authorised to take necessary steps for filing application before the adjudicating authority for liquidation of the Corporate Debtor under section 33 of the Insolvency and Bankruptcy Code 2016 and for any proceedings related or incidental to the matter."

To act as a Liquidator by the existing Resolution Professional is subject to approval of the competent authority.

15. It is also submitted that the CoC by resolution, in the same 10th CoC meeting has recommended the existing RP, *Mr. Ramachandran Subramanian having IBBI Registration No. IBBI/IPA-001/IP/P-01440/2018-2019/12136* for appointment as Liquidator in respect of the CD herein and thus the applicant RP has sought for Proposed Insolvency Professional to be appointed as Liquidator as per the code.
16. Heard the Ld. Counsel appeared on behalf of the applicant and perused the records.
17. From the Compliance certificate (Form H) attached with the application the dates and events subsequent to initiation of CIRP of the CD is as follows,

| S. No | Date | Events |
|-------|------------|---|
| 1. | 23.11.2023 | Commencement of CIRP |
| 2. | 04.01.2024 | Replacement of the Mr. Muthaih Thevar Rajapandian, IRP appointed with Mr. Ramachandran Subramanian as RP in IA(IBC)/ 2304/ 2023. |
| 3. | 17.01.2024 | RP getting the knowledge of his Appointment in respect of the CD |
| 4. | 18.01.2024 | Publication of FORM - A in Trinity Mirror (English) and Makkal Kural (Tamil). |
| 5. | 08.02.2024 | Constitution of Committee of Creditors (CoC) |
| 6. | 15.02.2024 | Valuation of Plant & Machinery were carried out by the IBBI Registered Valuers namely, Mr. V. V. Soundara Rajan and Mr. K. Karthikeyan. Similarly, Valuation of Land & Building assets were valued by the IBBI Registered Valuers namely, Mr. G. Balamurugan and Mr. S. Raghuraman |
| 7. | 14.07.2024 | Expiry of 180 days of CIRP |
| 8. | 25.07.2024 | Order extending the CIRP Period vide IA(IBC)/1572(CHE)/2024 |
| 9. | 27.09.2024 | 10 th CoC meeting which resolved to recommend the liquidation of the CD with 100% voting. |
| 10. | 12.10.2024 | Expiry of extended CIRP timeline |
| 11. | 18.10.2024 | Filing the present application praying Liquidation of the CD |

18. It is observed that since the maximum period of 270 days in respect of CIRP is extinguished and as there is no viable resolution plan received, the CoC decided to liquidate the CD. Therefore the resolution for Liquidation of the Corporate Debtor has been passed taking into consideration, the interest of the Corporate Debtor and all other stakeholders concerned. Thus CoC directed the Resolution professional to file application for Liquidation of the Corporate Debtor.
19. It is seen that the Applicant/RP submitted FORM-H dated 14.10.2024 as per Regulation 39 (4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016. The same is placed at Page 56 - 63 of the application. As observed from Form-H, there is no PUFEE applications pending in respect of the CD.

15. Provide details of section 66 or avoidance application filed / pending.

| Sl. No. | Type of Transaction | Date of Filing with Adjudicating Authority | Date of Order of the Adjudicating Authority | Brief of the Order |
|---------|---|--|---|--------------------|
| 1 | Preferential transactions under section 43 | NO | NO | NO |
| 2 | Undervalued transactions under section 45 | NO | NO | NO |
| 3 | Extortionate credit transactions under section 50 | NO | NO | NO |
| 4 | Fraudulent transactions under section 66 | No | NO | NO |

20. Further, after verifying the disciplinary status from the IBBI portal, we appoint **Mr. Ramachandran Subramanian** having **Reg. No. IBBI/IPA-001/IP/P-01440/2018-2019/12136**, email id: subraman267@yahoo.com, Contact No. 9025120271 with valid **AFA till 30.06.2025** as the Liquidator for the Corporate Debtor.
21. From the above facts and circumstances, considering the decision taken by the CoC of the Corporate Debtor, this Adjudicating Authority deems it fit to order Liquidation of the Corporate Debtor. Accordingly, we order **Liquidation** of the Corporate Debtor i.e. **Lare FIBC & Energies Private Limited** by appointing the above **Mr. Ramachandran Subramanian** as the Liquidator to carry out the liquidation process subject to the following terms/directions: -
- 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 up to date enjoined upon him.*
 - 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.*
 - 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 a suitable application before this Adjudicating Authority.*
 - The Registry is directed to communicate this order to the Registrar of Companies, Chennai and the Insolvency and Bankruptcy Board of India;*

- e. *In terms of section 178 of the Income Tax Act, 1961, the Liquidator shall give necessary intimation to the Income Tax Department. In relation to other fiscal and regulatory authorities which govern the Corporate Debtor, the Liquidator shall also duly intimate about the order of liquidation.*
- f. *The order of Moratorium passed under Section 14 of the Insolvency and Bankruptcy Code, 2016 shall cease to have its effect and a fresh Moratorium under Section 33(5) of the Insolvency and Bankruptcy Code shall commence.*
- g. *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.*
- h. *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.*
- i. *The Liquidator shall submit individual 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 reports as are required to be filed under the relevant Regulations, in addition, shall also be duly filed by him with this Adjudicating Authority.*
- j. *Copy of this order be sent to the financial creditors, Corporate Debtor and the Liquidator for taking necessary steps and for extending the necessary cooperation in relation to the Liquidation process of the Corporate Debtor.*
22. *With the above directions, IA(IBC)(LIQ)/ 37(CHE)/ 2024 in CP(IB)/ 120(CHE)/ 2023 stands allowed and disposed of.*

-Sd/-

**RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)**

-Sd/-

**JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)**