

**NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH - I  
CHENNAI**

**ATTENDANCE CUM ORDER SHEET OF THE HEARING OF CHENNAI BENCH  
NATIONAL COMPANY LAW TRIBUNAL, HELD AT ON 29.11.2021 at 10.30 AM  
THROUGH VIDEO CONFERENCING**

**PRESENT: SMT. R. SUCHARITHA, MEMBER (JUDICIAL)  
SHRI. SAMEER KAKAR, MEMBER (TECHNICAL)**

**APPLICATION NUMBER : IA/610/CHE/2021  
IN**  
**PETITION NUMBER : IBA/1121/2019**  
**NAME OF THE PETITIONER(S) : N Ramachandran RP  
M/s Chowel India Private Limited**  
**NAME OF THE RESPONDENTS :**  
**UNDER SECTION : Sec 33 & 34 of IBC 2016 r/w Rule 11 of NCLT Rules 2016**

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

**IA/610/CHE/2021 in IBA/1121/2019**

*(Filed under Section 33(1)(a), 33(2) & 34(1) of the Insolvency and  
Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016)*

*In the matter of M/s. Chowel India Private Limited*

**Nithyanantham Ramachandran**  
**RP of M/s. Chowel India Private Limited**  
No.3/716, Avin Nagar,  
Surveyor Colony,  
TamilNadu, Madurai -7,

*... Applicant*

*Order Pronounced on 29<sup>th</sup> November 2021*

CORAM:

**R. SUCHARITHA, MEMBER (JUDICIAL)**  
**SAMEER KAKAR, MEMBER (TECHNICAL)**

*For Applicant: A.G.Sathyanaarayana*

**ORDER**

**Per: SAMEER KAKAR, MEMBER (TECHNICAL)**

The IA/610/CHE/2021 has been filed by the Applicant under Section 33(1)(a), 33(2) & 34(1) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016 seeking relief as follows;


- a. That this Hon'ble Adjudicating Authority may be pleased to pass an order for Liquidation of the

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*Corporate Debtor namely M/s.Chowel India Private Limited ;*

- b. *That this Hon'ble Adjudicating Authority may be pleased to pass an order by appointing Shri. Nithiyanantham Ramachandran, Resolution Professional (IBBI/IPA-003/IP-N000124/2017-18/11390) as Liquidator for administering the Liquidation Process of the Corporate Debtor.*

2. From the averments made by the Applicant, it is evident that the CIRP of the Corporate Debtor was initiated and the Applicant herein was appointed as IRP on 05.05.2020. IRP caused public announcement calling for the claimants from the Creditors of the Corporate Debtor by virtue of publication dated 11.05.2020, pursuant to that the CoC was constituted on 24.10.2019 and the 1<sup>st</sup> meeting of the CoC was held on 30.06.2020. Thereafter, the Applicant convened the 2<sup>nd</sup> CoC meeting on 21.07.2020, wherein the CoC with 100% voting confirmed the present Applicant herein to continue as the Resolution Professional (RP) of the Corporate Debtor. In addition to that the CoC has approved appointment of Registered Valuers for valuation of the Corporate Debtor.



3. It is also evident from the averments as averred in the Application that the Applicant has placed the draft Form – G and has sought approval for issue of Expression of Interest for inviting prospective resolution applicants. The 3rd CoC meeting held on 24.08.2020. However CoC decided to defer the issue of public announcement in Form G.

4. It is averred in the Application that in the 4<sup>th</sup> CoC meeting was cancelled due to lockdown and in the 5<sup>th</sup> CoC meeting held on 07.12.2020, the further steps to be taken on the CIRP and the state of affairs of the Corporate Debtors were discussed in detail. The Sole CoC Member has taken note of the CIRP period were extended by excluding the Covid -19 lockdown period up to 15.10.2020.

5. We observe that the CoC in its 8<sup>th</sup> meeting held on 28.04.2021 with 100% majority has taken a decision to liquidate the Corporate Debtor. The CoC was of the view that the Corporate Debtor is not operating and there does not appear any visibility with regard to revival of the company.

6. We find that the Company manufactured Automobile Spare Parts in Plant 1 and Plant 2. The Company had its own Land and Buildings for Plant 1. The Plant 2 was operated in leased Building

obtained from EMCEE Fabritech & Pressings (P) Limited. Some Machinery were also provided by lessor in that Building. The lease amount was fixed on per month basis for both Factory Premises and Plant and Machinery. Plant 2 was closed on April 2019 and all the leased items including the Factory Premises were handed over to the lessor during May 2019. Now some other company is operating in that Factory Premises.

In Plant 1, the major customer was Hwashin Automative India Private Limited. It had supplied major machineries on lease for the production of Automobile Spare Parts to the Corporate Debtor. It had also supplied raw materials for the production of Automobile Spare Parts. Major Production of Finished Goods of Corporate Debtor were supplied to Hwashin Automative India Private Limited. Hwashin Automative India Private Limited got permission from Hon'ble High Court, Chennai for the removal of all major machineries supplied by it to the Corporate Debtor from the premises of the Corporate Debtor. On 19.05.2019, Hwashin Automative India Private Limited removed all major machineries supplied by it to the Corporate Debtor.

From 20.05.2019, the Corporate Debtor had stopped its production as there were no production facilities.



7. In view of our findings the possibility of revival of the companies are bleak. The assets can be sold under liquidation. Company has ceased to be a going concern, since 2019 much before the CIRP commenced.

8. Thus, as a consequence thereof, the Corporate Debtor is required to be ordered for liquidation as per Section 33(1)(a) of IBC, 2016. As per the latest list provided by the IBBI for the period from July 2021 to December 2021, we hereby appoint **Mr. Nithiyantham Ramachandran**, with Reg. No. *IBBI/IPA-003/IP-N000124/2017-18/11390* 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 Registry is directed to communicate this order to the Registrar of Companies, Chennai and to 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 that 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 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.
- 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 co-operation in relation to the Liquidation process of the Corporate Debtor.

9. Accordingly, IA/610/CHE/2021 filed for Liquidation of the Corporate Debtor stands **allowed**.

-Sd-

**SAMEER KAKAR**  
MEMBER (TECHNICAL)

-Sd-

**R. SUCHARITHA**  
MEMBER (JUDICIAL)

*SriramAnanth V*