



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

ATTENDANCE CUM ORDER SHEET OF THE HEARING  
HELD ON **12.06.2025** THROUGH VIDEO CONFERENCE

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**PRESENT:** HON'BLE SHRI SANJIV JAIN, MEMBER (JUDICIAL)  
HON'BLE SHRI VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)  
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**IN THE MATTER OF** : Sri Gurudev Enterprises and 4 Others  
Vs  
Arjun Chemicals Pvt Ltd

**MAIN PETITION NUMBER** : CP(IB)/13(CHE)/2023

**(IA/MA) APPLICATION NUMBERS**

IA(IBC)(LIQ)/14/2025  
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**ORDER**

**IA(IBC)(LIQ)/14/2025**

Present: None for Liquidator

Vide separate Order pronounced in Open Court, **the Application is allowed.**

**The liquidation is ordered.**

Mr. S.Kannan is appointed as the Liquidator.

-sd-

**[VENKATARAMAN SUBRAMANIAM]**  
**MEMBER (TECHNICAL)**

MS

-sd-

**[SANJIV JAIN]**  
**MEMBER (JUDICIAL)**

Date: 12.06.2025



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

**IA(IBC)(LIQ)/14/CHE/2025 in CP(IB)/13/CHE/2023**

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

In the matter of *Arjun Chemicals Private Limited*

**Kannan Sambasivam,**  
Resolution Professional of  
Arjun Chemicals Private Limited  
Skyline Castle, First Floor, 27 Abdul Razack Street,  
Saidapet, Chennai, Tamil Nadu – 600015

*... Applicant*

*Order Pronounced on 12<sup>th</sup> June, 2025*

**CORAM:**

**SANJIV JAIN, MEMBER (JUDICIAL)**

**VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)**

For Applicant : *Mr. V. Manivannan, Mr. V. Arvind Rajaopal, Advocates*

**ORDER**

**(Heard Through Hybrid Mode)**

1. This application has been filed by Mr. Kannan Sambasivam, Resolution Professional of the Corporate Debtor Arjun Chemicals Private Limited, under Section 33(1)(a),33(2) & 34(1) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of NCLT Rules, 2016 seeking the reliefs as follows:



- a) *The Applicant requests that this Tribunal condones the delay of 14 days in filing the instant application.*
- b) *To pass an order for the liquidation of the corporate debtor.*
- c) *To pass such other orders as it deems fit in the above circumstances of the case and thus render justice.*

2. It is stated that the Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor was initiated on 28.06.2024 and Mr. S. Kannan was appointed as the Interim Resolution Professional (IRP).

3. This Tribunal ordered moratorium under Section 14, directed the IRP to make public announcement and complete the assignment as required under the law. The public announcement about initiation of the CIRP and calling for the claims from the Creditors was published by the IRP on 03.07.2024 in the newspapers 'Makkal Kural' (Tamil) & 'Trinity Mirror' (English). The last date for submission of claims was fixed as 12.07.2024.

4. It is stated that the IRP received one claim from the Secured Financial Creditor, twelve claims from the Unsecured Financial Creditors, fifty claims from the employees, one claim from the Operational Creditor i.e. the Government dues, twenty-four claims from the Operational Creditors, in response to the Public



Announcement. The total value of claims received was Rs. 122,87,23,645/-. The collated value was Rs. 118,90,02,345/-. It is stated that on the basis of the claims received, CoC was constituted.

5. It is stated that in the first COC meeting held on 31.07.2024, the Committee of Creditors (CoC) decided to appoint the Interim Resolution Professional as the Resolution Professional. The erstwhile Director Mr. Chandrasekar Padmanabhan also participated in the meeting.

6. It is stated that the Applicant conducted the 2<sup>nd</sup> CoC Meeting on 03.09.2024, in which certain agendas were placed for approval. By 100% voting, the CoC resolved to appoint advocates, valuers, to vacate the Chennai office, remove books of accounts and to ratify the expenses incurred.

7. It is stated that the Applicant conducted the 3<sup>rd</sup> CoC Meeting on 19.09.2024 where a decision on the appointment of valuer for Jammu factory and surrendering of the Velachery office was taken. It is stated that the 4<sup>th</sup> CoC meeting was held on 19.10.2024.



8. It is stated that the Applicant conducted the 5th CoC Meeting on 06.12.2024, where the agenda to approve and ratify Form G and the expenses was discussed and the resolutions were passed. It is stated that the 6th CoC Meeting was held on 06.01.2025, where resolutions regarding approval of the issuance of Form G, Evaluation Matrix, the CIRP extension, authorization for the Resolution Professional to open a bank account, and approval of expenses were passed.

9. It is stated that the Applicant published Form G on 10.01.2025 in the newspapers and the CoC was reconstituted.

10. It is stated that the 7<sup>th</sup> CoC meeting was conducted on 10.03.2025. During the meeting, one prospective Resolution Applicant (RA) indicated that it would review the documents and, if not interested, would withdraw from the process. Another PRA requested 30 days time to submit the Resolution Plan. It is stated that the Financial Creditor, State Bank of India, opposed further delay and agreed to a maximum extension of 10 days.

11. It is stated that the Applicant convened the 8th CoC meeting on 21.03.2025. The two Prospective Resolution Applicants (PRAs)



withdrew from the process, and their EMD amounts of Rs. 10 lakhs each were refunded. The CoC also approved the resolution seeking extension for submission of Form G up to 31.03.2025, filing an application for a 60-day CIRP extension, filing IA concerning PUF transactions and filing IA for non-compliance under Section 19(2).

12. It is stated that the remaining PRAs also withdrew from the process via telephone and requested for refund of the EMD amount of Rs. 10,00,000/-. The RP sent an email dated 04.04.2025 seeking written confirmation for withdrawal.

13. It is stated that the Applicant via email dated 07.04.2025, informed the CoC that the last PRA has also withdrawn. He proposed to proceed with the liquidation of the Corporate Debtor, subject to the CoC approval. It is stated that the Secured Financial Creditor, holding 86.35% voting share, suggested for the liquidation of the Corporate Debtor, while the Unsecured Financial Creditor suggested for conducting a forensic audit.

14. It is stated that the Tribunal vide an order dated 08.04.2025 extended the CIRP period till 30.04.2025 and directed the RP to



conduct CoC meeting to obtain approval for proceeding for the liquidation of the Corporate Debtor.

15. It is stated that the 9th CoC meeting was conducted on 22.04.2025, wherein following decisions were taken:

Authorizing the Resolution Professional to file an application for liquidation of Arjun Chemicals Private Limited, appointing the Resolution Professional as the Liquidator and on the expenses incurred by the Resolution Professional.

16. Relevant extract of the 9<sup>th</sup> CoC meeting is herein below:

**d. To file for Liquidation of CD as no resolution plan is received from any of the Resolution Applicant.**

S.NO	Regulations	Description	Best estimate by CoC
1	39B(1)	Best Estimate of the amount required to meet the liquidation costs	41,08,200 as found below
2	39B(2)	Best estimate of the Value of the liquid assets available to meet the liquidation costs	NIL
3	39B(3)	Plan providing for contribution for meeting the difference between the Estimated value of the liquid assets under 39B(2) and estimated liquidation cost under 39B(1)	Contributed by the stakeholders as per the claim approved
4	39C (1)	Recommendation of CoC that the liquidator may first explore sale of the corporate debtor as a going concern under clause (e) of	1 <sup>st</sup> explore sale as a going concern (Should bear in mind the IA filed by the suspended



		regulation 32 of the insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 or sale of the business of the corporate debtor as a going concern under clause (f) thereof, if an order for liquidation is passed under section 33	director on the sale of Ranipet property)
5	39C (2)	Identification and grouping of the assets and liabilities, which according to commercial considerations of the CoC, ought to be sold as a going concern under clause (e) or clause (f) of regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.	If the above is not possible, this option can be explored
5	39D	Fee of the liquidator The period if any, used for compromise or arrangement under Section 230 of Companies Act 2013.  The Period if any, used for sale under clause (e) and (f) of regulation 32 of the IBBI (Liquidation Process) regulations  The Balance period of liquidation	15,00,000 (3.75% on the sale value of the asset) as per Liquidation Process Regulation 4(2) provides that in cases other than those covered under sub-regulation (1) and (1A),

**Best Estimate of Liquidation Expenses:**

- Publication form B Rs. 25,000
  - Sale notice publication Rs. 1,00,000
  - E auction service provider Rs. 15,000
  - P&S Rs. 10000
  - Quarterly fees for filing for 4quarters 40000 (adv fees)
  - Rent for storing premises for 12 months Rs. 120000
  - Filing dissolution order Rs. 35,000
  - Auditor fees for upto 31-3-25 Rs. 25000 and upto liquidation Rs. 20000
  - Jammu Plant visit cost Rs 30000
  - Security charges 97350 X 12 months = 1168200
  - Insurance Rs 10000 for the year
  - MCA filing fees Rs 10000
  - Valuation report P&M and L&B 200000
  - Litigation Expenses for Advocate Fees 200000
  - Storing of records of CD for next 5 years from dissolution date Rs. 600000
- Total 26,08,200/-**

**Minutes:** Mr. Srenik Jain has said that he is not interested in going for Liquidation and that he recommends to sale only the SAMBA, Jammu plant. The RP said that the Samba, Jammu plant only be sold separately. **The SBI financial Creditor, wants to proceed for Liquidation and wants to stand outside of the Liquidation.**



## **B. RESOLUTIONS TO BE PASSED AT THE MEETING:**

Resolutions to be passed at the Ninth Meeting of the Committee of Creditors of **ARJUN CHEMICALS PRIVATE LIMITED** to be held at **F-1, Skyline Castle, No. 27 Abdul Razack Street, Saidapet, Chennai 600 015** on Tuesday, 22<sup>nd</sup> April, 2025 @ 15.00 hrs. through Zoom App.

### **Resolution No. 1**

**To approve and ratify to proceed the RP to file for Liquidation of the Arjun Chemicals Private Limited:**

### **Facts and Explanatory Statement:**

As the Last Resolution Applicant has withdrawn in submission of Resolution Plan, in the hearing on 08-04-2025 that the Hon'ble NCLT has recorded that there is no resolution plan the CIRP can conclude by 30-4-2025, the RP should conduct a CoC for filing a Liquidation. However, the RP has mailed on 07-04-2025 that shall we proceed for Liquidation as the RA is withdrawn from submission of Resolution Plan.

The CoC members have to decide whether the same RP can further proceed the Liquidation of the CD.

### **Resolution:**

*To consider and if found fit, to pass with or without modification the following Resolution:*

**RESOLVED** that the resolution professional is permitted to file for Liquidation application of Arjun chemicals as there is no resolution plan received by RP.

**Minutes:** The SBI, Financial Creditor, has passed Resolution-1. Mr. Srenik Jain representing the un-secured financial Creditor has not approved and suggest to go for Forensic audit as there was some suspicious transaction.

**the Secured Financial Creditor has passed the resolution with 86.35 % of voting share.**



**Resolution No. 2**

**To approve the Resolution Professional to be appointed as Liquidator:**

**Facts and Explanatory Statement:**

There are multiple litigations filed by the Erstwhile director, PF department, former employees of the companies which has to be attended meticulously, RP is holding valid AFA and he is eligible to be the Liquidator for the CD

**Resolution:**

***To consider and if found fit, to pass with or without modification the following Resolution:***

**RESOLVED** that the resolution professional is S. Kannan having membership no **IBBI/IPA-001/IP-P00755/2017-2018/11287** is recommended to be the Liquidator for the CD and necessary applications can be field before the Hon'ble NCLT to effect the same

**Minutes:** The SBI, Financial Creditor has approved the Resolution-2 and Mr. Srenik Jain representing the un-secured financial Creditor has dis-approved the Resolution.

**RESOLVED** that the Secured Financial Creditor has passed the resolution with **86.35 %** voting's in favour, and the resolution passed.

**Resolution No. 3**

**To approve and ratify the expenses incurred by the RP:**

The RP presenting to the COC members the following expenses. Expenses Incurred by the Resolution Professional:

**Expense incurred by Secured financial Creditor**

The Security charges for Jammu factory appointed by State Bank of India amounting to Rs.97,350/- per month from 28.6.24 to be treated as essential service. The above amount spent by State Bank of India upto July 27th Rs.97,350/-, August, September, October, November, December 2024 and January 2025, February 2025 and March 2025 in a **total of Rs. 8,76,150/-**

**Expenses incurred for handling the IA case's by Manivannan**

**Advocate:**

The Advocate fees of Manivannan & Associates for handling IA/511/2025, IA/512/2025 and IA/517/2025 each Rs. 25,000/- in **total of Rs. 75,000/-** in the Previous 8<sup>TH</sup> meeting of CoC were the Financial Creditor has said the fees will be paid as advance half amount from the actual amount and the remaining will be paid in the end of the IA completion.



17. It is stated that in the 9<sup>th</sup> COC meeting held on 22.04.2025 it was unanimously resolved to liquidate the Corporate Debtor. The Applicant has annexed **Form-H** as *Annexure-20*. It is stated that the following cases are pending for adjudication:

IA case number	Brief about the case
IA(IBC)/ 2080 (CHE)/ 2024	Ex-employee Gratuity and PF claim amount admit
IA(IBC)/ 2079 (CHE)/ 2024	Ex-employee Claim amount fully to be admit
IA(IBC)/ 511 (CHE)/ 2025	The investments made in the related party companies to be recovered
IA(IBC)/ 512 (CHE)/ 2025	The Assets were verified and to be take possession by the RP
IA(IBC)/ 517 (CHE)/ 2025	The amount is still pending with the vendors and to be recovered
IA(IBC)/ 1953 (CHE)/ 2024	The Ranipet factory sale by Mr. Chandrasekar (suspended director of CD) and the next hearing to be held on 30-05-2025
Section 138 Case of Karur KCP Packaging Limited	Cheque bounce case
PF Hearing both Chennai and Ranipet	PF claims for their employees



18. During the proceedings on 30.05.2025, the Applicant in IA(IBC)/1953(CHE)/2024 i.e. Mr. P. Chandrasekhar stated that there are receivables and he can assist the RP/Liquidator in the process of recovery to which RP gave no objection.



19. We have heard Ld. Counsel for the Applicant/RP and perused the record.

20. In the instant case, the CIRP against the Corporate Debtor was initiated on 28.06.2024. The IRP invited the claims and constituted the CoC. He collected the relevant information and prepared information memorandum. He issued Form G inviting expression of interest from the Prospective Resolution Applicants (PRA). The PRAs submitted their expression of interest but later withdrew from the process and on their request the earnest money was refunded to them. The RP placed the matter before the CoC where a decision was taken by the CoC in the 9<sup>th</sup> meeting held on 22.04.2025 to go for the liquidation of the Corporate Debtor. Request has also been made to condone the delay of 14 days in filing the application.

21. Considering the submission and the minutes including Form H submitted by the Applicant where CoC passed a resolution to go for the liquidation of the Corporate Debtor, we condone the delay and allow the application filed by the RP initiating liquidation process against the Corporate Debtor Arjun Chemicals Private Limited.



22. The CoC in the meeting held on 22.04.2025 has also proposed to appoint the RP as the Liquidator which resolution was passed with 86.35% voting share.

23. The proposed Liquidator, **Mr. S. Kannan** has filed his written consent to act as the Liquidator of the Corporate Debtor, enclosed as *Annexure-21*. On verification from the IBBI Website, it is seen that his Authorization for Assignment (AFA) is valid up to 31.12.2025.

24. We hereby appoint, **Mr. S. Kannan** with Reg. No. **IBBI/IPA-001/IP-P00755/2017-2018/11287** as the Liquidator of the Corporate Debtor, to carry out the liquidation process.

25. In the meeting, the expenses towards the liquidation process were also discussed. The CoC estimated the expenses as Rs.41,08,200/-. It was noticed that the liquid assets are not available to meet the liquidation cost. A decision was taken by the Stakeholders / CoC members to contribute the cost proportionate to their claims. A decision was also taken to first explore the sale of the Corporate Debtor as a going concern under section 32(e) and 32(f) of IBBI Liquidation Regulations and if the above is not possible then to identify and



include the assets / liabilities and sell them as a going concern. In the CoC meeting, the fee of the Liquidator was also discussed i.e. Rs. 15,00,000/- (i.e. 3.75% on the sale value of the asset as per Liquidation Process Regulation 4(2)).

26. It is ordered as under:

- 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 first explore the sale of the Corporate Debtor as a going concern under Regulation 32(e)



and 32(f) of IBBI Liquidation Regulations and if the same is not possible, then identify and group the assets and liabilities ought to be sold as a going concern and thereafter explore the other possibilities as provided under the Liquidation Process Regulations.

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.

g) The fee of the Liquidator is fixed as Rs. 1,50,000/- + GST per month to be paid by the CoC / SCC members proportionate to their claims.

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



28. 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.

29. 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.

30. With the above directions, **IA(IBC)(LIQ)/14/CHE/2025** filed for the liquidation of the Corporate Debtor stands allowed and the delay of 14 days is hereby condoned.

**-Sd-**

**VENKATARAMAN SUBRAMANIAM**  
MEMBER (TECHNICAL)

**-Sd-**

**SANJIV JAIN**  
MEMBER (JUDICIAL)

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