IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH-II, CHENNAI

IA/989(Che)/2021
in
IBA/760/2019
(filed under *Sections 33 (2)* of the Insolvency and Bankruptcy Code, 2016)

In the matter of *M/s. Vishnu Annamalaiyaar Paper Mills Limited*

Mrs. J.KARTHIGA
Resolution Professional of
M/s. *Vishnu Annamalaiyaar Paper Mills Limited* ... *Applicant*

CORAM:
JUSTICE (RETD.) S. RAMATHILAGAM, MEMBER (JUDICIAL)
ANIL KUMAR B, MEMBER (TECHNICAL)

For Applicant : *Ramasamy Meyyappan, Advocate*

Order pronounced on 18th February, 2022

ORDER

Per: **ANIL KUMAR B, MEMBER (TECHNICAL)**

Under Consideration is an application filed by the Resolution Professional viz., Mrs. J.Karthiga, under Section 33(2) of the Insolvency and Bankruptcy Code, 2016, (in short 'I&B Code, 2016').

2. The prayers made by the Applicant in the Application are as follows:-

a. *That this Hon'ble Tribunal may be pleased to order the liquidation of the Corporate Debtor and Consequently appoint the Resolution Professional as the Liquidator of the Corporate Debtor as per section 33 (1) read with section 34(1) of the Code;*

b. *Pass such other order or orders as this Hon'ble Tribunal may deem fit.*

3. Originally IBA/760/2019 filed under Section 7 read with Rule 4 of the I&B Code, 2016 by the Financial Creditor of the Corporate Debtor was admitted by this Adjudicating Authority vide Order dated 11.10.2019, the CIR Process was initiated against the Corporate Debtor and one Mr. Nagalingam Muthiah was appointed as Interim Resolution Professional (IRP).

4. It is averred that pursuant to the Order of this Adjudicating Authority dated 11.10.2019, the then IRP had caused public announcement on 15.11.2019 in Tamil daily 'Malai Malar' and English daily 'Business Standard'. It is further averred that the then Interim Resolution professional has constituted the 1st Committee of Creditors and meeting was held where discussions as to appointment of RP was made, later the then IRP Convened the 2nd Meeting of CoC on 13.12.2019 where this applicant was proposed as the RP with 100% CoC approval. Accordingly, an order to that effect appointing the applicant herein as RP has been obtained vide order dated 20.01.2020 in MM.07/2020.

5. It is averred by the applicant that the Committee of Creditors in the 3rd Meeting of CoC held on 30.01.2020 approved the Form-G EoI and Publication inviting expression of Interest in respect of the Corporate Debtor was issued on 31.01.2020. The Corporate Debtor being a MSME, the applicant has received response only from the Suspended Directors of the Corporate Debtor on 21.03.2020. The

applicant, after scrutiny of the Resolution Plan submitted by the Suspended Directors has circulated it to the CoC on 24.03.2020 for their comments. It is further averred that upon the instruction of the CoC the applicant has convened the 6th CoC on 03.08.2020 in which discussions about the Resolution Plan were held and the Suspended directors were instructed to submit a revised Resolution plan. Subsequently, the Prospective Resolution Applicant has submitted the revised Resolution Plan with improved offer which was discussed in the 7th Meeting of CoC held on 17.08.2020. Having not satisfied with the revised plan the CoC has again decided to issue EoI inviting prospective resolution applicants which was issued on 19.08.2020.

6. It is evident in the averments as contained in the Application that in the 10th Meeting of the CoC held on 08.01.2021, the CoC discussed in detail about the absence of prospective resolution applicant against the EoI published, the CoC has come to the conclusion to liquidate the Corporate Debtor.

7. The CoC has unanimously decided to liquidate the Corporate Debtor and appoint the present Resolution Professional as Liquidator in the 11th CoC held on 22.01.2021. The operative part of the Resolution reads as follows: -

*10th CoC- **RESOLVED THAT** the Corporate Debtor is to be liquidated and the Resolution Professional shall intimate the Adjudicating Authority of the decision of the Committee of Creditors to liquidate the Corporate Debtor.*

*11th CoC - **FURTHER RESOLVED THAT** the Committee of Creditor RECOMMENDS THAT THE Resolution Professional will continue as Liquidator upon passing of the Liquidation order by the Adjudicating Authority at a remuneration as per Canara Bank's norms as agreed upon by the RP/ Proposed Liquidator.*

8. In these circumstances, **Mrs. J. Karthiga [IBBI/IPA-001/IP-P00752/2017-2018/11284] (e-mail:- karthigasri@hotmail.com)** is appointed 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, viz., company-in-liquidation.

9. The application in IA/989/(Che)/2021 in IBA/760/2019 stands **Allowed** with the aforesaid terms.

-Sd-	-Sd-
B. ANIL KUMAR	**Justice (Retd.) S. RAMATHILAGAM**
MEMBER (TECHNICAL)	MEMBER (JUDICIAL)

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