

IN THE NATIONAL COMPANY LAW TRIBUNAL  
SPECIAL BENCH – I, CHENNAI

IA/518/CHE/2023 in CP(IB)/185/CHE/2020

(Filed under Section 33(2) AND 60(5) of the Insolvency and Bankruptcy Code, 2016)

In the matter of SARASWATI UDYOG INDIA LIMITED

**Subbiah Muthusamy,**  
Resolution Professional of  
Saraswati Udyog India Limited  
No.60, Rameswaram Street,  
T.Nagar, Chennai- 600 017

... Applicant

Order Pronounced on 09<sup>th</sup> May 2023

CORAM:

**SANJIV JAIN, MEMBER (JUDICIAL)**

**AVINASH K.SRIVASTAVA, MEMBER (TECHNICAL)**

For Applicant : N.P.Vijay Kumar, Advocate

**ORDER**

**Per: SANJIV JAIN, MEMBER (JUDICIAL)**

This is an application filed under Section 33(2) and 60(5) of the  
Insolvency and Bankruptcy Code, 2016 seeking relief as follows:

- (a) to pass an order of liquidation and appoint  
Mr.Gopalasamy Ganesh Babu (IBBI Registration No.  
IBBI/IPA-002/IP-N00246/2017-18/10731 as the



Liquidator of **Saraswati Udyog India Limited** and  
thereby render justice.

2. From the averments made in the application, it is evident that the Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor was initiated on 04.10.2021 and the Applicant herein was appointed as the Interim Resolution Professional (IRP) and thereafter appointed as Resolution Professional (RP).

3. It is submitted that the CoC presently comprises of City Union Bank and Karur Vysya Bank with 70% and 30% voting power respectively in CoC. The CIRP period of 180 days expired on 04.04.2022. The Applicant issued EOI on 07.02.2022 and only one Prospective Resolution Plan was received. The said Resolution Plan was however conditional in nature and accordingly the CoC in the 9<sup>th</sup> meeting held on 12.08.2022 rejected the said conditional Resolution Plan. In the very same meeting, the CoC also decided to go for liquidation. The resolution for liquidation of corporate debtor was voted unanimously by members of CoC.

4. In the instant matter, the Applicant had filed I.A. No. 1053 (CHE)/2022 for liquidation of Corporate Debtor. Since the Applicant



failed to enclose the voting results, this Tribunal vide order dated 30.01.2023 dismissed the Application with liberty to file proper application for liquidation of the Corporate Debtor and hence the present application has been filed.

5. It is submitted that the Applicant had placed the above facts before the CoC and the CoC in its 10<sup>th</sup> meeting dated 13.02.2023 **unanimously** approved the resolution for liquidation. The CoC also considered the need for appointment of new Liquidator and the issue of sale of corporate debtor as going concern. The possibility of compromise/arrangement was also left open for consideration. The CoC also approved the estimated costs for the purposes of liquidation. The minutes of the CoC meeting held on 12.08.2022 and 13.02.2023 are enclosed as **Annexure A3** and **Annexure A4** of the application typeset.

6. We have considered the submissions and perused the record. The Corporate Debtor is in the business of Paper Board Manufacturing. The Corporate debtor was not a going concern. In the 10<sup>th</sup> CoC meeting it was deliberated that the liquidator may explore the feasibility of selling the business of the CD as a going concern. It was also discussed and voted to accept compromise or arrangement as an



option to be considered during Liquidation in accordance with the regulations. The estimated costs of liquidator's fee of Rs. 5,00,000 on a consolidated basis/ lump sum has been factored by CoC and approved. Till date 10 CoC meetings have been held.

7. The applicant has annexed **Form-H** and the same is placed at **Annexure-7** of the Application typeset. It is seen from the Form-H that there are no PUFÉ applications pending in this matter.

8. It is seen from the records that the Committee of Creditors in the 10<sup>th</sup> COC meeting held on 13.02.2023 has unanimously resolved to liquidate the Corporate Debtor. In such circumstances, this Adjudicating Authority concludes that this application be allowed. As a consequence thereof, we order for the Liquidation of the Corporate Debtor as per Section 33(2) of IBC, 2016.

9. We hereby appoint *Mr. Gopalsamy Ganesh Babu*, with Reg. No. *IBBI/IPA-002/IP-N00246/2017-18/10731* (E-Mail Id: *babu@finrespro.com*) (AFA is *valid up to 04.01.2024*) 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.

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

11. 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.

12. 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.



13. With the above said directions, this IA/518/CHE/2023 filed for Liquidation of the Corporate Debtor stands **allowed**.

- PS -

**AVINASH K. SRIVASTAVA**  
MEMBER (TECHNICAL)

- PS -

**SANJIV JAIN**  
MEMBER (JUDICIAL)

*SriramAnanth.V*