

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

**IA/280/2020** in CP/877/IB/2018 filed under  
Section 33 (1)(a) of the Insolvency and  
Bankruptcy Code, 2016

In the matter of **M/s. Arudaavis Labs Private Limited**

**Rajalakshmi Varadarajan**  
Resolution Professional of  
M/s. Arudaavis Labs Private Limited  
351/18, Ishwarya Flats,  
36<sup>th</sup> Street, I Block,  
Chennai – 600 040

... Applicant /Resolution Professional

Order Pronounced on 12<sup>th</sup> January 2021

CORAM :

**R. VARADHARAJAN, MEMBER (JUDICIAL)**  
**ANIL KUMAR B, MEMBER (TECHNICAL)**

For Applicant : G. Anitha, Advocate

**ORDER**

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

1. This is an application filed under Section 33(1)(a) of the Insolvency and Bankruptcy Code 2016 (in short 'IBC, 2016') seeking relief as follows:

- (i) To pass order of liquidation against the Corporate Debtor in view of the fact that the operations of the Corporate



IA/280/2020 in CP/877/IB/2018  
Rajalakshmi Varadarajan, RP of M/s. Arudaavis Labs Private Limited

Debtor cannot be continued as it is not operating as a going concern, and further that the RP did not receive any Resolution Plan from the Prospective Resolution Applicants till the completion of the stipulated period of CIRP process and further after applying the commercial wisdom of the CoC, the CoC members decided that it is not worth and feasible for the CoC members to keep the Corporate Debtor as going concern under the current economic aspects and thereby decided to liquidate the company.

(ii) and pass such other orders as deem fit and proper in the given circumstances of the case in the interest of justice.

2. In Section 9 application filed by the Operational Creditor against the Corporate Debtor viz., Arudaavis Labs Private Limited, this Tribunal vide order dated 30.07.2019 initiated the Corporate Insolvency Resolution Process (CIRP) in relation to the Corporate Debtor and appointed the Applicant herein as Interim Resolution Professional (IRP).

3. It is averred in the application that pursuant to the Applicant being appointed as IRP, she caused Public Notice in Form-A and invited claims in accordance with the provisions of IBC, 2016 and that the Canara Bank was the sole Financial Creditor of the Corporate Debtor. Thereafter, it is submitted that the IRP has constituted the



14/280/2020 In, CIRP/7/IB/2018

Rajalakshmi Varadarajan, RP of M/s. Arudaavis Labs Private Limited

Committee of Creditors (CoC) with the sole Financial Creditor and the 1<sup>st</sup> Meeting of the CoC was held on 18.09.201, wherein the Applicant was appointed to act as the Resolution Professional of the Corporate Debtor.

4. Pursuant thereto, it was submitted that the Applicant visited the Registered Office of the Corporate Debtor and found that the Company was not functioning and took possession of the fixed assets which are found in the said premises. Thereafter, in the 2<sup>nd</sup> meeting of the CoC, which was held on 04.10.2019, that the Applicant has filed an Application under Section 19(2) of IBC, 2016 since there was non cooperation from the part of the suspended Directors in providing the books of account and audit reports and also for certain disputes pertaining to the ownership of the vehicle.

5. In the 3<sup>rd</sup> CoC meeting held on 17.10.2019, the CoC authorized the Applicant to send the detailed Expression of Interest to all the persons who are seeking to get the same in order to submit their expression of interest. Further, in the 5<sup>th</sup> CoC meeting held on 01.12.2019, pursuant to the issue of EoI, since there was some enquiry from two prospective Resolution Applicants, the last date for EoI was extended till 15.12.2019.

1A/200/2020 in CP/877/IB/2018

Raja Lakshmi Varadarajan, RP of M/s. Arudaavis Labs Private Limited



6. For the purpose of valuation of the assets of the Corporate Debtor, the Applicant appointed two IBBI Registered Valuers and the Fair Value of the "Assets" was arrived as Rs.1,60,19,000/- and the Liquidation value was arrived as Rs.55,00,000/-. Similarly, the Fair Value for "Plant and Machinery" was arrived as Rs.1,48,00,000/- and the Liquidation value as Rs.75,00,000/-

7. In the 6<sup>th</sup> CoC meeting held on 13.01.2020, it was discussed that only one Company has submitted the EoI and after the said Company carried out its due diligence, they have withdrawn themselves from submitting the Resolution Plan. Since no EoI was received from any other persons, the CoC in its 6<sup>th</sup> meeting has decided to liquidate the Corporate Debtor.

8. Since, in the 6<sup>th</sup> CoC meeting held on 13.01.2020, the Committee of Creditors has deliberated about the current affairs of the Corporate Debtor by taking into consideration that there was no EoI being received from any prospective Resolution Applicant and also keeping in view of the fact that the Corporate Debtor is not running its business and based on its commercial wisdom has decided to liquidate the Corporate Debtor, by taking into consideration the provisions of Section 33 of IBC,2016 and in the absence of any



IA/280/2020 in CR/877/IB/2018

Rajalakshmi Varadachari, RP of M/s. Arudaavis Labs Private Limited

opposition to the Application from the Promoters of the Corporate Debtor and also guided by the decision of the Hon'ble Supreme Court in the matter of **Mr. K. Sasidharan -Vs- Indian Overseas Bank (2019) SCC OnLine SC 257** this Tribunal orders for the liquidation of the Corporate Debtor.

9. It is also seen from the records that the Applicant herein has accorded her written consent in Form AA to act as the Liquidator of the Corporate Debtor and further the Applicant also placed on record the Authorization for Assignment (AFA) issued by the Insolvency Professional Agency of Institute of Cost Accountants of India.

10. In the circumstances, **Rajalakshmi Varadarajan**, IBBI/IPA-003/IP-N000145/2017-2018/11597, 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.



CP/877/IB/2018  
Rajalakshmi Varadarajan, RP of M/s. Arudaavis Labs Private Limited



- 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-

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CHENNAI BENCH  
CORPORATE BHAVAN, 3RD FLOOR,  
S. RAJAGAL SALAI, CHENNAI-600015



MA/280/2020 in CP/87/IB/2018  
Rathnakshmi Vaidarajan, RP of M/s. Arudaavis Labs Private Limited

operation in relation to the Liquidation process of the Corporate Debtor, viz., company-in-liquidation.

11. The application IA/280/2020 stands **disposed of** with the aforesaid terms.

-SD-

**(ANIL KUMAR B)**  
MEMBER (TECHNICAL)

-SD-

**(R.VARADHARAJAN)**  
MEMBER (JUDICIAL)

Raymond



Certified to be True Copy

*2. Not f. 26/11/2020*  
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NATIONAL COMPANY LAW TRIBUNAL  
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29, RAJAJI SALAI, CHENNAI-600001