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

IA/293/CHE/2022 in IBA/642/2019

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

In the matter of ***M/s. Freeworld Exports Private Limited***

Mr. Tharuvai Ramachandran Ravichandran

Resolution Professional of
M/s. Freeworld Exports Private Limited
G3 Block 2 Shivani Apts
40, East Coast Road
Thiruvanmiyur, Chennai-600 041.

... Applicant /Resolution Professional

Order Pronounced on 28th April, 2022

CORAM:

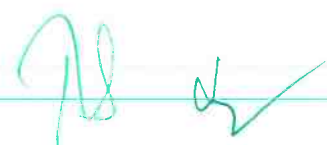
R. SUCHARITHA, MEMBER (JUDICIAL)
SAMEER KAKAR, MEMBER (TECHNICAL)

For Applicant : S.Sathiyarayanan, *Advocate*

ORDER

Per: R. SUCHARITHA, MEMBER (JUDICIAL)

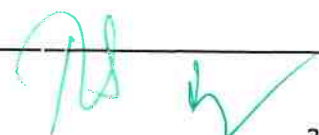
This is an application filed under Section 33(2) read with 60(5)
of the Insolvency and Bankruptcy Code, 2016) seeking relief as
follows:



- (i) To pass an order of Liquidation of the Corporate Debtor Viz, Freeworld Exports Private Limited under Section 33(2) of I &B Code, 2016 as unanimously resolved in the 8th CoC Meeting dated 08.01.2022 as per Chapter III of the Insolvency and Bankruptcy Code, 2016 and the Regulations framed thereunder.
- (ii) Appoint Mr. Tharuvai Ramachandran Ravichandran as the Liquidator of the Corporate Debtor Viz, Private Limited as resolved in the 8th CoC Meeting dated 08.01.2022.
- (iii) Pass such further or orders which this Hon'ble Tribunal may deem fit and proper in the circumstances of this case and thus render justice.

2. From the averments made by the Applicant, it is evident that the CIRP of the Corporate Debtor was initiated and one Mrs. Vijayakumari Natarajan was appointed as Interim Resolution Professional (IRP) on 03.02.2021. Since the order of this Tribunal was received by the IRP only on 08.03.2021, the public announcement calling for the claimants from the Creditors of the Corporate Debtor was done by virtue of publication dated 11.03.2021.

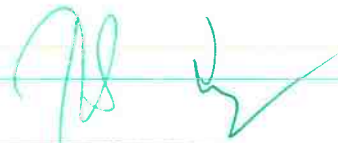
3. The Committee of Creditors was constituted on 31.03.2021 and pursuant to that the 1st meeting of the CoC was held on 07.04.2021. By virtue of the second CoC meeting held on 16.04.2021, the applicant herein was appointed as the Resolution Professional which



was approved by this Tribunal vide its order dated 02.06.2021 made in IA/386/CHE/2021.

4. The applicant avers in the Application that in the 4th CoC meeting held on 28.08.2020. Further, the 5th CoC meeting held on 09.10.2020 wherein the CoC resolved to exclude the COVID-19 lockdown period from 05.05.2020 till 31.08.2020 (119 days) from the computation of the CIRP period and extend the CIRP till 27.02.2021 as 180th day of CIRP of the Corporate Debtor. As resolved by the CoC, the Applicant has filed an application bearing IA/1262/IB/2020 before this Tribunal on 29.10.2020 for exclusion.

5. It was further averred in the application that the 7th CoC Meeting held on 30.01.2021, the RP explained to file a fresh application for exclusion of subsequent period of lockdown for 153 days from 01.09.2020 till 31.01.2021 and corresponding extension of CIRP period till 30.07.2021 as 180th day of CIRP period, in view of the novel COVID-19 outbreak. Thereafter, the CoC with a voting of 61.94 % resolved to file a fresh application before this Tribunal by way of an application bearing IA/480/CHE/2021.



6. The Applicant has further averred that an application MA/70/CHE/2021 was filed seeking exclusion of 37 days lost due to late receipt of CIRP order and the same was allowed by this Tribunal vide its order dated 30.07.2021. He has further stated that the Tribunal vide its order dated 28.09.2021 made in IA/883/CHE/2021 extended the period of CIRP for a further period of 90 days upto 09.01.2022 based on the recommendations of the 5th Meeting of CoC.

7. Further, the RP made a public announcement for Expression of Interest ("EoI") in Form-G on 03.09.2021 in New Indian Express and Dinamani and fixed the last date for submission of EoI on or before 21.10.2021. Though there was no expression of Interest received, the CoC in its 7th Meeting decided to further explore the possibility of reviving the Corporate Debtor and reissued the EoI vide Form-G on 14.10.2021 again in New Indian Express and Dinamani but to no avail.

8. In the intermittent period the suspended director of the Corporate Debtor, Shri R.Shankar requested the applicant herein vide his mail dated 07.01.2022 to consider withdrawal of CIRP under Section 12A of the IBC. The terms proposed by him were depositing Rs.2 crores on acceptance of terms, Rs.10 crores within 30 days from

the date of acceptance and rest of payments on or before March 2022. Since the request was not sustainable the same was not considered by the applicant. This was also taken note of by the CoC in its 8th meeting stating that the Commercial Terms proposed by the Director were not acceptable by it.

9. It was further averred in the Application that the 8th CoC Meeting of the Corporate Debtor was held on 08.01.2022 wherein it was decided to submit the resolution for Liquidating the Corporate Debtor and making an application to NCLT for liquidation by the RP was put to e-voting. The e-voting was held between 10th January 2022 and 12th January 2022 12 Noon. Only one Financial Creditor voted the resolution and 3 financial creditors holding 14.36% did not vote. The resolution was approved by the members of the CoC with 85.64% voting. The above Resolution is reproduced hereunder:

“RESOLVED to liquidate Freeworld Exports Private Limited under Section 33(1) and other applicable provisions of the IBC, 2016 as no resolution plan was received despite publication of “Invitation of EoI” twice in Newspapers and also the maximum period (inclusive of exclusion and extension period) permitted for completion of the Corporate Insolvency Resolution process is Jan 09, 2022


AND RESOLVED FURTHER THAT an application be made to NCLT, Chennai to liquidate Freeworld Exports Private Limited (CIN: u51420TN2004PTC052776) and the RP Mr Tharuvai Ramachandran Ravichandran (IBBI/IPA-002/IP N00241/2017-18/10692) be and is hereby authorized to take all necessary steps and to all such acts and deeds as may be necessary from time to time in this regard”

10. It was further averred in the Application that the Applicant / RP consented to act as Liquidator and the CoC took note of the same and further resolved to appoint the applicant as liquidator of the Corporate Debtor. The proposed Liquidator, Mr. Tharuvai Ramachandran Ravichandran has also filed his written consent to act as the Liquidator of the Corporate Debtor and also on verification from the IBBI Website, it is seen that the Authorization for Assignment (AFA) for the RP is valid up to 21.12.2022.

11. It was further averred in the Application that the Applicant/RP has complied Compliance Certificate in Form-H with all the mandatory requirements of CIRP of the Corporate Debtor as provided under the I&B Code, 2016 and its allied Regulations, 2016.

12. In the circumstances, we hereby appoint **Mr. Tharuvai Ramachandran Ravichandran**, with Reg. No. *IBBI/IPA-002/IP N00241/2017-18/10692* 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.

13. Accordingly, IA/293/CHE/2022 filed for Liquidation of the Corporate Debtor stands **allowed**.

-Sd-
SAMEER KAKAR
MEMBER (TECHNICAL)

-Sd-
R. SUCHARITHA
MEMBER (JUDICIAL)

S. Priya