

**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
SPECIAL BENCH – II, CHENNAI**

**CP(IB)/300(CHE)/2021**

*(filed under Section 10 of the Insolvency and Bankruptcy Code, 2016  
r/w Rule 7 of the Insolvency and Bankruptcy Board of India (Application  
to Adjudicating Authority) Rules, 2016)*

*In the matter of*  
**M/s. PURPLESTREAM CONVERGENCE PRIVATE LIMITED**

**M/s. PURPLESTREAM CONVERGENCE PRIVATE LIMITED,**  
CIN: U72100TN2011PTC082041  
No.62, Fourth Floor,  
Radka Krishnan Salai,  
Mylapore, Chennai-600 004.

*... Corporate Applicant*

*Order Pronounced on **13<sup>th</sup> October 2023***

CORAM:

**SANJIV JAIN, MEMBER (JUDICIAL)**  
**RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)**

*For Applicant* : *Mr. G. Vairava Subramanian, Advocate*  
*Mr. B. Raghupathy, Advocate*  
*Mr. A. Kandhan, Advocate*

**ORDER**

(Hearing conducted through VC)

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

This application has been filed under Section 10 of Insolvency and Bankruptcy Code, 2016 (IBC, 2016) by **Purplestream Convergence Private Limited** ('Corporate Applicant') for initiation of Corporate Insolvency Resolution Process (CIRP) under Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (for brevity, '**I&B Rules 2016**'), following

a default in meeting the financial obligations to its Financial Creditors (Secured/Unsecured Creditors) and Operational Creditors and other Creditors as shown in the Company Petition filed in Form-VI.

2. In Part-I of the application it is stated that the Corporate Applicant is an private limited company incorporated on 24.8.2011 bearing CIN:U72100TN2011PTC082041. The Registered office of the Corporate Applicant as per the application is at No.62, Fourth Floor, Radha Krishnan Salai, Mylapore Chennai – 600 004.

3. In Part-II of the application, the Corporate Applicant has proposed Chitra Perinkulam Ragavan as IRP. She has also filed her written consent in Form-2. The AFA of the proposed IRP is valid till 11.12.2023.

4. Part-III of the application shows that the total debt defaulted by the Corporate Applicant is Rs.7,55,50,724/- and the date of the default is mentioned as 30.05.2019. The list of documents annexed in the application to prove the existence of debt is as follows,

- a) Ledgers of Creditors as on 15.11.2021.
- b) Provisional Balance Sheet as on 15.11.2021.
- c) Financials of the Corporate Debtor for 3 previous years.

5. In Annexure-I of the application, the Corporate Applicant has provided the details of its liabilities as on 15.11.2021 and the same are reproduced below,

**LIABILITY OF THE CORPORATE DEBTOR AS ON 15-11-2021**

S.No.	Particulars	Amount	Amount
1.	<b>Non Current Liabilities</b>		
	Long Term Borrowings		₹6,71,302
2	<b>Current Liabilities</b>		
	a) Trade Payables		
	(i) Sundry Creditors	2,32,92,843	
	(ii) Debtors Advance	35,55,897	
	(ii) Staff Advance	6,96,772	₹2,75,45,512
	b) Other Payables		₹2,31,71,496
3	<b>Other Current Liabilities</b>		
	<b>Statutory Remittances</b>		
	-Service Tax		₹ 94,98,367.00
	-TDS Payable		₹ 40,06,223.00
	Interest on EPF Payable		₹ 78,506.00
	Interest on Service Tax Payable		₹ 8,57,857.00
	Interest on TDS Payable		₹ 10,52,923.00
	Late filing levy payable		₹ 3,31,442.00
	Tax short Deduction payable		₹ 1,18,477.00
	Provision for Expenses		
	(i) Human resource expense payable	₹ 81,93,619.00	
	(ii) Company Secretary Fees payable	₹ 25,000.00	₹ 82,18,619.00
	<b>Total Liability</b>		<b>Rs. 7,55,50,724/-</b>

In the provisional balance sheet of the Corporate Applicant, the liabilities of the Corporate Applicant as on 15.11.2021 was recorded as follows,

**PURPLESTREAM CONVERGENCE PRIVATE LIMITED**  
#62, Level IV, Radha Krishnan Salai, Mylapore, Chennai - 600 004, TamilNadu, India.  
Unaudited Balance Sheet as at 15th November, 2021

Particulars	Note No.	As at 15th November, 2021	As at 31st March, 2021
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	30,00,000	30,00,000
(b) Reserves and Surplus	2	(6,27,85,879)	(6,19,12,337)
<b>(2) Non - Current liabilities</b>			
(a) Long term Borrowings	3	6,71,302	7,58,590
<b>(2) Current Liabilities</b>			
(a) Trade Payables	4	5,07,17,008	5,17,20,898
(b) Other Current Liabilities	5	2,41,62,414	2,51,20,967
<b>Total Equity &amp; Liabilities</b>		<b>1,57,64,845</b>	<b>1,86,88,118</b>

From the above it is seen that the Corporate Applicant's liabilities are more than one crore rupees.

6. In the Extraordinary General Meeting of the Shareholders of the Corporate Applicant held on 05.11.2021, it was resolved to file application under Section 10 of IBC, 2016 to initiate CIRP of the Corporate Applicant. The relevant extract of the minutes is reproduced hereunder;

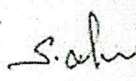

"RESOVED THAT pursuant to Section 10 of the Insolvency and Bankruptcy Code, 2016 (IBC, 2016 and other relevant Acts, Rules, and other statutory provisions, the (hereinafter referred as the "Company) the consent of the shareholders of the Company is given for the initiation of the Corporate Insolvency Resolution Process for the Company under section 10 of the Insolvency and Bankruptcy Code, 2016.

RESOLVED FURTHER THAT Mr. Deepak Subramanian (DIN:02705933), Director of the Company be and is hereby authorized to monitor and ensure the compliance under Insolvency and Bankruptcy Code, 2016 and all other related Acts, Rules, Regulations and Statutory provisions for the initiation, monitoring the process of CIRP of the Company.

RESOLVED FURTHER THAT Mr. G. Vairava Subramanian Advocate, be and is hereby authorized to represent the Company in CIRP with National Company Law Board (NCLT) and other activities as may be required by various statutory authorities as may be required till the Completion of the Process.

Place: Chennai

Date: 05.11.2021

Chairman of the Meeting

Mr. Deepak Subramanian

Director

PurpleStream Convergence Pvt. Ltd.

7. In the course of hearing on 17.10.2022, the Applicant submitted that it has served the notice of this application to all its creditors and received acknowledgments from majority of creditors. For the rest of the creditors, this Tribunal directed the

Applicant to issue notice by substituted service through paper publication.

8. Complying the above, the Applicant filed an Affidavit of service in SR.No.5828 dated 28.10.2022. Further this Tribunal directed the Applicant to file an Affidavit mentioning "*no objection has been received in response to the paper publication*" along with the original paper clips of the publication. Accordingly, the Applicant filed an Additional Affidavit vide Sr.No.922 dated 24.02.2023 along with the publication in the newspapers "Business Standard" in English and "Makkal Kural" in Tamil published on 22.10.2022.

9. The above records and proceedings manifest that there is debt and default on part of the Corporate Applicant and total debt amount is more than rupees one crore. The shareholders of the Corporate Applicant with requisite majority have resolved to initiate CIR Process against the Corporate Applicant. At present, no objection has been received from any of the creditors of the Corporate Applicant.

10. In view of the above, this Adjudicating Authority is of the considered opinion that it is necessary to initiate CIRP of the Corporate Applicant. Accordingly, we admit this application and order for initiation of CIRP of the Corporate Applicant viz.,  
**Purplestream Convergence Private Limited.**

11. Since, the Corporate Applicant has proposed the name of **Mrs. Chitra Perinkulam Ragavan** having Registration No. **[IBBI/IPA-002/IP-N00720/2019-2020/12558]** (E-mail ID: *chitraprc@yahoo.com*) as the Interim Resolution Professional (IRP) who has also filed his written consent in Form 2 of the Insolvency and Bankruptcy Board of India (Application to Adjudicating Authority) Rules, 2016 which is placed at Page Nos. 6-7 of the Application. We therefore appoint **Mrs. Chitra Perinkulam Ragavan** as the IRP in the present application. The IRP who is appointed shall take forward the process of Corporate Insolvency Resolution of the Corporate Debtor. The IRP appointed shall take in this regard such other and further steps as are required under the Statute, more specifically in terms of Section 15,17,18 of the Code and file his report within 20 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

12. As a consequence of the Application being admitted in terms of Section 10 of the Code, moratorium as envisaged under provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor;

a. The institution of suits or continuation of pending suits or proceedings against the respondent including execution of

any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

- b. Transferring, encumbering, alienating or disposing of by the respondent any of its assets or any legal right or beneficial interest therein;
- c. Any action to foreclose, recover or enforce any security interest created by the respondent in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- d. The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the respondent.

*Explanation.*-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license or a similar grant or right during moratorium period;

13. However during the pendency of moratorium period in terms of Section 14(2) and 14(3) as extracted hereunder;

(2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

(3) The provisions of sub-section (1) shall not apply to

(a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;

(b) a surety in a contract of guarantee to a corporate debtor.

14. The duration of period of moratorium shall be as provided in Section 14(4) of the Code which is reproduced below for ready reference;

(4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1)

of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.

15. The Corporate Applicant is directed to pay a sum of **Rs.2,00,000/- (Rupees Two Lakh Only)** to the Interim Resolution Professional to meet out the expenses and to perform the functions assigned to him in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

16. Based on the above terms, the Petition stands **admitted** in terms of Section 10 of the Code and the Moratorium shall come into effect as of this date. A copy of the Order shall be communicated to the Corporate Debtor above named by the Registry. In addition, a copy of the Order shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named shall also be furnished with copy of this Order forthwith by the Registry, who will communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

— Sd —

**RAVICHANDRAN RAMASAMY**  
MEMBER (TECHNICAL)

— Sd —

**SANJIV JAIN**  
MEMBER (JUDICIAL)

*Order pronounced under Rule 151 of NCLT Rules 2016, by Hon'ble Technical Member Ravichandran Ramasamy on behalf of the Bench comprising of Sanjiv Jain, Member (Judicial) and Ravichandran Ramasamy, Member (Technical)*