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

IA (IBC)(DIS)/1(CHE)/2025
in
CP(IB)/300(CHE)/2021

(Filed under Section 54 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 11 of NCLT Rules, 2016)

In the matter of **PURPLESTREAM CONVERGENCE PRIVATE LIMITED**

MS. CHITRA PERINKULAM RAGAVAN,
Interim Resolution Professional,
Reg No: IBBI/IPA-002/IP-N00720/2019-2020/12558,
Old No. 16, New No. 7,
Appadurai Street, Seethammal Colony,
Teynampet, Chennai – 600018.

… Applicant / IRP

Order Pronounced on ***5th March 2025***

CORAM:

SHRI. JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)

SHRI. RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

Present: -

For Applicant : Mr. Avinash Krishnan Ravi & Jerin Asher Sojan, Advocate

ORDER

1. The present Application has been filed under Section 54 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'Code') r/w Rule 11 of NCLT Rules, 2016 (hereinafter referred to as 'Rules') by Ms. Chitra Perinkulam Ragavan, Insolvency Resolution Professional of ***Purplestream Convergence Private Limited*** seeking an order of dissolution of the Corporate Debtor Viz., ***Purplestream Convergence Private Limited.***

2. It is submitted that Corporate Debtor Viz., Purplestream Convergence Private Limited was admitted into Corporate Insolvency Resolution Process, (herein after referred to as CIRP) by this Tribunal vide order dated 13.10.2023 in CP(IB)/300(CHE)/2021 and the Applicant herein was appointed as Interim Resolution Professional.

3. It is submitted that the applicant herein has taken control and custody of the assets and the management of the corporate debtor immediately after receiving the order of Corporate Insolvency Resolution Process (herein after referred to as CIRP). Thereafter the Public announcement was made on 20.10.2023 in Trinity Mirror (English) and Makkal Kural (Tamil) by Interim Resolution Professional.

4. It is further submitted that Books of accounts of the corporate debtor was received on 20.10.2023 and the email communication was sent to the creditors to submit the claims as against the corporate debtor. Further it is submitted that the applicant has made intimation of the order of the Corporate Insolvency Resolution Process of the Corporate Debtor to the concerned statutory authorities on 31.10.2023.

5. The applicant submitted that no financial creditors have submitted claims against the corporate debtor and as per the books, only creditor under the head "loan from Directors" reflects as a financial creditor of the corporate debtor, from whom no claims was received and hence the Committee of Creditors was constituted with the operational creditors of the corporate debtor.

6. The details of the shareholders and the shareholding structure of the Corporate Debtor is as follows:

Note : 1 Share Capital

Amount in INR

Sr. No	Particulars	As at 31st March,2023		As at 31st March,2022	
		Number of Shares	Amount	Number of Shares	Amount
1	Authorized Capital				
	3,00,000 Equity Shares of Rs.10/- each.	3,00,000	30,00,000	3,00,000	30,00,000
		3,00,000	30,00,000	3,00,000	30,00,000
2	Issued, Subscribed & Paid up Capital *3,00,000 Equity shares of Rs.10/- each fully paid up*	3,00,000	30,00,000	3,00,000	30,00,000
	Total	3,00,000	30,00,000	3,00,000	30,00,000

Particulars of shares held by each shareholders holding more than 5% shares

Sr. No	Name of Shareholder	As at 31st March,2023		As at 31st March,2022	
		Number of Shares	% of holding	Number of Shares	% of holding
1	Karthik Subramanian	1	-	1	-
2	Purple Stream Convergence Pte Ltd	2,99,999	100	2,99,999	100
	Total	3,00,000	100	3,00,000	100

7. It is submitted that the applicant has conducted the 1st meeting of the Committee of Creditors of the corporate debtor on 18.11.2023 to take note on the actions taken by the Interim Resolution Professional and to decide on taking forward the Corporate Insolvency Resolution Process of the Corporate Debtor and the detailed extract is as follows:

8. <u>To discuss the way forward:</u>

The Interim Resolution Professional explained that on perusing the books of accounts and the interactions had with the suspended directors, it is seen that the company's activities had come to a grinding halt with the untimely demise of the original promoter and there was nothing worthwhile that can be recovered. She further invited the suspended director to explain the status of the company.

Further, the IRP requested the suspended director to explain the position to the CoC members. Mr. Deepak, the suspended director explained that employees exited after his brother's death, and with covid most of the debtors have disappeared. The technical equipment's used then were mostly hired and what was left was not returned by the employees.

IRP explained that the options available now before the CoC is that:

- Is it worth to continue CIRP process where the COC will have to reimburse the expense incurred and remuneration of the IPR/RP as the case may be, or

- Decide to dissolve the company without continuing further CIRP process.

8. It is submitted that, upon verification of the books of Accounts of the corporate debtor, it was found that the assets that were reflecting in

the fixed asset register have become obsolete and are not salvageable. Further it is submitted that possible recoveries from the debtors are minimal and could not even cover CIRP/ Liquidation Cost.

9. It is submitted that the Brand name of the Corporate Debtor which was the primary reason for the company preferring the application under section 10 of the code has also become obsolete.

10. It is submitted that the assets as seen in the balance sheet on 31.3.2023 was only cash in Bank of Rs. 1.43 Lakhs and Tax receivables of GST Credit input to the value of Rs. 6 Lakhs. The short term loans and advances are only the deposits with agencies like telecom service providers such as Airtel etc., and Fixed Assets were a small equipment's placed in their clients premises (Kalyana mandapams) which is a scrap today and the premises owners are refusing to return the same claiming that they have not received the rent toward keeping the same in their premises.

11. It is submitted that the applicant herein has conducted 2nd meeting of the Committee of Creditors on 09.01.2024. During the 2nd meeting of the Committee of Creditors the issues in the CIRP process was put forth before the committee of Creditors regarding the improbability of recovering the money from the assets of the Corporate Debtor and the CoC has decided to dissolve the Corporate Debtor. The relevant extraction is as follows:

RESOLVED THAT CoC be and are hereby accord their approval to dissolve the Corporate Debtor as there were no assets available in the Corporate Debtor.

RESOLVED FURTHER THAT CoC be and are hereby accorded their approval to move an appropriate application before the Hon'ble NCLT and requested the Interim Resolution Professional to do the same.

RESOLVED FURTHER THAT the Electronic voting window shall be kept open for a minimum period of 48 hours viz. from 2.00 p.m. of 11th January 2024 till 2.00 p.m. of 13rdJanaurv 202

12. It is submitted that the above mentioned resolution was approved by 91.91% of the creditors and 8.09% was abstained from voting. The relevant extraction is as follows:

1/13/24, 4:46 PM IBC Voting

ibc Voting

Name of IRP/RP/AR : Mrs. Chitra Perinkulam Ragavan

IBBI NO : IBBI/IPA-002/IP-N00720/2019-2020/12558

Name of the Matter : PURPLESTREAM CONVERGENCE PRIVATE LIMITED

Title of the Meeting : 2nd CoC meeting

Start date : 2024-01-11 14:00:00

End Date : 2024-01-13 14:00:00

Sr NO	Discription of Resolution	Agree	Disagree	Abstain from voting
1	Resolution -1	91.91	0	8.09

RESOLVED THAT CoC be and are hereby accord their approval to dissolve the Corporate Debtor as there were no assets available in the Corporate Debtor.

RESOLVED FURTHER THAT CoC be and are hereby accorded their approval to move an appropriate application before the Hon'ble NCLT and requested the Interim Resolution Professional to do the same.

13. It is submitted that, in furtherance to the approval of the above mentioned resolution, the applicant herein has filed an application IA(IBC)/713(CHE)/2024 and sought for following reliefs:

a) To permit the Interim Resolution Professional to file an application under Section 54 of the Insolvency and Bankruptcy code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 for dissolution of the Corporate Debtor;

b) Pass such other order/ directions as this Hon'ble Bench may deem fit and proper in the facts and circumstances of the case and thus render justice.

14. It is submitted that IA(IBC)/713(CHE)/2024 was allowed and disposed of by this Hon'ble Tribunal Vide order Dated 11.12.2024 and the relevant extraction is as follows:

> 30. In view of above facts and circumstance, this tribunal thinks just and proper to order liquidation and permit the applicant Interim Resolution Professional herein to move Dissolution Application for dissolving the Corporate Debtor.
>
> **31.** Therefore in exercise of inherent powers entrusted with this Adjudicating Authority, this Tribunal Orders Liquidation of the Corporate Debtor followed by granting permission to the applicant IRP for moving an application under Section 54 of the Code for dissolution of the Corporate Entity.
>
> **32.** Accordingly, ***IA/IBC/713(CHE)/2024 in CP(IB)/300(CHE)/2021*** stands ***Allowed*** and ***Disposed off***.

15. It is submitted that, based on the above mentioned order, the applicant herein has moved the present application in seeking dissolution of the Corporate Debtor.

16. The date and events subsequent to the initiation of CIRP of the Corporate Debtor is as follows:

S.NO	DATE	EVENTS
1.	13.10.2023	Commencement of CIRP
2.	20.10.2023	Public announcement in Newspaper
3.	18.11.2023	1st CoC meeting where the CoC sought for Final position of the Corporate Debtor to

		decide upon the further course of action
4.	09.01.2024	2nd CoC meeting where CoC resolved for direct dissolution of the Corporate Debtor
5.	11.01.2024 to 13.01.2024	Conduction of e-Voting process on the Resolution put forth in the 2nd CoC meeting
6.	10.04.2024	Expiry of 180days
7.	11.12.2024	IA(IBC)/713(CHE)/2024 was allowed

17. From the submissions of the Counsel and on perusal of the records we find that there are no realizable assets in the Corporate Debtor.

18. The relevant provisions under Insolvency and Bankruptcy Code, 2016 and its subordinate legislations is referred as follows:

" Section 54: Dissolution of the Corporate Debtor:

(1) Where the assets of the corporate debtor have been completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate debtor.

(2) The Adjudicating Authority shall on application filed by the liquidator under sub-section (1) order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.

(3) A copy of an order under sub-section (2) shall within seven days from the date of such order, be forwarded to the authority with which the corporate debtor is registered."

"Regulation 14 of IBBI (Liquidation Process) Regulation 2016
Early Dissolution:
Any time after the preparation of the Preliminary Report, if it appears to the liquidator that-
(a) The realizable properties of the corporate debtor are insufficient to cover the cost of the liquidation process; and
(b) The affairs of the corporate debtor do not require any further investigation;
he may apply to the adjudicating authority for early dissolution of the corporate debtor and for necessary directions in respect of such dissolution.

19. We have heard Ld. Counsel for the Applicant and perused the document submitted the applicant.

20. In this present case, we find that on 10.04.2024 the CIRP time limit expires and it is apparent that no financial creditors has raised their claims and hence the CoC was constituted with the Operational Creditors.

21. Further it is observed from the averments made by the applicant that there were no assets for realization with the Corporate Debtor, there was no valuation and no EoI consequently no plan has been received.

22. Further it is observed that CoC does not find any possibility of recovery or resolution and hence CoC has passed a resolution to dissolve the Corporate Debtor as it was considered as the only beneficial process that can be done to the Corporate Debtor.

23. Upon a conjoint reading of Section 54 of Insolvency and Resolution Process and Regulation 14 of the IBBI (Liquidation Process) Regulation 2016 it is observed that when there is no assets of the corporate debtor for realization or when Corporate debtor has insufficient funds to meet cost of the liquidation or CIRP cost, then the corporate debtor can be dissolved without going into liquidation process.

24. In this present case, this tribunal vides order date 11.12.2024 in IAIBC/713(CHE)/2024 ordered for liquidation of the corporate debtor.

25. Further, in this present case, it is observed that the corporate debtor has no assets for realization and the CoC in its 2nd meeting has approved for the dissolution of the corporate debtor.

26. In the above circumstances, this Tribunal finds that it would be just and proper to order for the dissolution of the Corporate Debtor as per Section 54 of the Code.

27. Accordingly, we order the dissolution of the Corporate Debtor viz., **PURPLESTREAM CONVERGENCE PRIVATE LIMITED**. In this case, the applicant herein is presumed to be the liquidator of the corporate debtor vides order dated 11.12.2024.

28. The applicant is directed to forward a copy of this Order to the RoC concerned and also to the IBBI for its records and for updating the status of the Corporate Debtor on the 'MCA Master data' within a period of 7 days from the date of this Order.

29. Accordingly, **I.A(IBC) (DIS)/ 1 (CHE) / 2025** in **CP(IB)/300 (CHE)/2021** **s**tands **allowed** and **disposed of.**

-Sd- -Sd-

RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)