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

IA (IBC)/283 (CHE)/2023 in CP/877/IB/CB/2018

(Filed under Section 54 of the Insolvency and Bankruptcy Code, 2016)

*In the matter of Arudaavis Labs Private Limited*

**Ms. Rajalakshmi Vardarajan**

Liquidator of Arudaavis Labs Pvt Ltd  
3/6, 10th Street, Venkateswara Colony  
MMC, Chennai 600 051

... Applicant

Order Pronounced on 13<sup>th</sup> April 2023

CORAM

**SANJIV JAIN, MEMBER (JUDICIAL)**

**SAMEER KAKAR, MEMBER (TECHNICAL)**

*For Applicant: S.Sathiyarayanan, Advocate  
Pavithra Dayalan, Advocate*

ORDER

**Per: SAMEER KAKAR, MEMBER (TECHNICAL)**

This Application IA(IBC)/283(CHE)/2023, has been filed under Section 54 of the Insolvency and Bankruptcy Code, 2016 by the liquidator of the Corporate Debtor herein seeking for an order for Dissolution of the Corporate Debtor viz., **ARUDAAVIS LABS PRIVATE LIMITED.**



2. From the Application it can be seen that CIRP of the Corporate Debtor was initiated by this Tribunal vide order dated 10.07.2017 and the Applicant herein was appointed as IRP and thereafter as RP.

3. Further, it is seen that the Liquidation of the Corporate Debtor was ordered by this Tribunal on 12.01.2021 in IA/280/2020 and the Applicant herein was appointed as the Liquidator.

4. Pursuant to the order of Liquidation, the Applicant had caused Public Announcement on 29.01.2021 by inviting claims from all the stakeholders and fixed the last date for submission of claim as 20.02.2021.

5. It is seen that the Applicant received claims from the following stakeholders of the Corporate Debtor. The details of Claims submitted and claim admitted are given as under:

A. Financial Creditor:

S.NO	DETAILS OF STAKEHOLDERS	AMOUNT CLAIMED (RS. IN LAKHS)	AMOUNT OF CLAIM ADMITTED (RS. IN LAKHS)	NATURE OF CREDITOR
1	Canara Bank*	1114.73	1114.73	Secured Financial Creditor
	<b>Total</b>	<b>1114.73</b>	<b>1114.73</b>	

\* exercised the option u/s 52 to stand outside the Liquidation





B. Operational Creditors:

S.No	DETAILS OF STAKEHOLDERS	AMOUNT RECEIVED (Rs. IN LAKHS)	CLAIMS ADMITTED (Rs. IN LAKHS)
1	Mr. G. Dhananjaya Naidu	103.97	60.14
	<b>Total</b>	<b>103.97</b>	<b>60.14</b>

6. It is submitted that the Company under liquidation was having Plant and Machinery in rented premises which was charged to the secured Financial Creditor (Canara Bank) who had preferred to stand out of the liquidation under section 52 of IBC. The Secured Creditor realized the assets under section 52 for an amount of Rs. 36.78 lacs during the quarter January – March 2022. The said amount has been utilized by the Secured creditor for pending CIRP expenses to an extent of Rs. 18.21 lacs and a part settlement amounting to Rs.18.57 against their claim of Rs. 1114.73 lacs, leaving an unsettled claim of secured creditor amounting to Rs. 1096.16 lacs.

7. It is further submitted that one Bank Account in the name of 'Arudaavis Labs Pvt Ltd – In liquidation' bearing Account No 26440200000758 was opened with Bank of Baroda, Anna Nagar Branch and all the receipts and payments of the Corporate Debtor under liquidation have been routed through this account.



8. It is submitted that during the CIRP process, the Operational Creditor (Landlord) had filed an application for the payment of rental during the CIRP period and also to vacate the premises vide IA/626/2020 dated 04.11.2020 which was decided in favour of the Landlord. Aggrieved by the order, the Liquidator preferred an appeal bearing IA 1077/2020 before Hon'ble NCLAT. The same has been settled by payment of rental during the CIRP period for an amount of Rs. 11.74 lacs based on the directions of Hon'ble NCLAT, Delhi, vide the order dated 31.03.2021.

9. It is submitted that during the CIRP process, an application under section 19 (2) of IBC was filed by the Applicant / RP, as the promoter director Mr. Subramaniam Arumugam did not provide books of accounts and RP found a transfer of vehicle of the Corporate Debtor( TN 02 AU 1389) in his name fraudulently after the commencement of CIRP. The Vehicle was however not reflecting in the books of accounts of the Corporate Debtor. However, it is observed from the account later provided to the Applicant, that the said vehicle is recorded as sold in the year 2017 itself. During the liquidation process, the Promoter Director was not disclosing his place of



residence and it was difficult to recover the vehicle. In view of the timely intervention of this Tribunal vide order dated 05.07.2022, the Applicant with the assistance from the office of DSP could locate the Promoter and recover the vehicle on 02.08. 2022.

10. Thereafter, the Applicant applied to RTO, North West, Anna Nagar for re-issuance of vehicle Registration Certification in the name of the Corporate Debtor and the same was reregistered on 28.09.2022. The only asset of the Corporate Debtor (Vehicle) was sold through e-Auction on 09.11.2022 for an amount of Rs. 4.22 lakhs inclusive of GST and the vehicle was valued for Rs. 3.22 lakhs.

11. The details of the relevant compliances as mandated under Section 54 of the IBC, 2016 read with the IBBI (Liquidation Process) Regulations, 2016 are listed hereunder:-

S. NO	COMPLIANCE	AVERMENTS	PAGE NO. IN THE APPLICATION
1	Regulation 12	Public Announcement in Form B in Trinity Mirror and Makkal Kural dated 29.01.2021	11
2	Regulation 35(2)	Appointment of Registered Valuers where no valuation conducted during CIRP	18
3	Regulation 31(2)	List of Stakeholders within 45 days of the Liquidation Commencement Date	16-17



4	Regulation 31A	Constitution of Stakeholders Consultation Committee (SCC)	N/A
5	Regulation 13	Preliminary Report dated 15.04.2021	12-17
6	Regulation 34	Preparation of Asset Memorandum dated 15.04.2021	15
7	Regulation 41	Opening of Bank Account in the name of the company in Liquidation in "Bank of Baroda" on 13.10.2021	65
8		Proof of Closure of the above Bank Account and other account in the name of the Company	67-68
9	Regulation 15	Quarterly Progress Reports and proof of filing the same before this Tribunal	Para 18 of the Application and tabulation at Page No 7 of the application
10	Regulation 36	Asset Sale Reports after sale of Reports	43-52
11	Regulation 42(2)	Proof of Distribution within Ninety days from the receipt of realization	65-67
12	Regulation 45 (3)	Final report dated 07.01.2023	20-62
13	Regulation 5 (1) (e)	Compilation of Minutes of SCC	N/A
14	Regulation 15	Audited Accounts of receipts and Payments	63-64
15	Regulation 37	Completion of Liquidation Process within one year from Liquidation Commencement Date or extension if any, date of the order & period	N/A
16		Form-H dated 07.01.2023	56 to 62

12. It is seen from Form-H that the Applicant / Liquidator has not filed any Application Sections 43, 45, 50 and Section 66 of IBC, 2016. Further in Form -H, the amounts distributed to stakeholders as per Section 52 and 53 of the code has been reproduced hereunder:



Sl. No.	Stakeholders* under section 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount Claimed (%)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	(a) CIRP Costs	NIL	NIL	NIL	NA	
2	(a) Liquidation Costs including GST	330339	330339	330339	100%	
3	(b)(i) workmen dues	NIL	NIL	NIL	NA	
4	(b)(ii) secured creditors	NIL	NIL	NIL	NA	
5	(c) wages & Unpaid dues	NIL	NIL	NIL	NA	
6	(d) financial debts to unsecured creditors	NIL	NIL	NIL	NA	
7	(e)(i) Government dues	NIL	NIL	NIL	NA	
8	(e) (ii) debts to secured creditor for unpaid amount	107795826	107795826	91661	0.09%	
9	(f) any remaining debts and dues	10396586	6013970	0	0%	
10	(g) Preference Shareholders	NIL	NIL	NIL	NA	
11	(h) Equity Shareholders	NIL	NIL	NIL	NA	
Total		108061792	113809796	422000		

  
RAJALAKSHMI VARDARAJAN  
INSOLVENCY PROFESSIONAL  
REGISTRATION NO: 0000457217 / 2016/1197

13. At this juncture, it is relevant to point out Section 54 of the IBC, 2016 provides as follows: -

**Section 54**

*“(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.”*



14. From the averments made in the Application along with the perusal of the final report and the Compliance Certificate filed in Form-H by the Applicant, it is seen that the Corporate Debtor has been completely liquidated. In the circumstances as averred and as prayed for by the Applicant, an order for dissolution is required to be passed by this Tribunal under Section 54 of the IBC, 2016. Accordingly, we hereby order for the dissolution of the Corporate Debtor viz., *Arudaavis Labs Private Limited*. The Liquidator is directed to forward the copy of this Order to the RoC concerned and also to the IBBI for its records within a period of 7 days from the date of this Order.

15. In terms of the above, this IA (IBC) 283/CHE/2023 stands allowed.

- Sd -

**SAMEER KAKAR**  
MEMBER (TECHNICAL)

- Sd -

**SANJIV JAIN**  
MEMBER (JUDICIAL)

*Sriram Ananth. V*