

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH-II, CHENNAI**

**IA/649/IB/2020 in CP/768/IB/2018**  
filed under Section 33(1)(a) & 34(1) of the  
Insolvency and Bankruptcy Code, 2016.

**In the matter of M/s. Padmaadevi Sugars Limited**

**Mr. Mudapallur Varieth Gangadharan**

(Resolution Professional of  
M/s. Padmaadevi Sugars Limited)  
No.341, 6<sup>th</sup> Floor, Fountain Plaza,  
Pantheon Road, Egmore,  
Chennai – 600 008

..... Applicant/RP

**IA/648/IB/2020 in CP/768/IB/2018**  
filed under Section 33(1)(a) & 34(1) of the  
Insolvency and Bankruptcy Code, 2016.

**Mr. Mudapallur Varieth Gangadharan**

(Resolution Professional of  
M/s. Padmaadevi Sugars Limited)  
No.341, 6<sup>th</sup> Floor, Fountain Plaza,  
Pantheon Road, Egmore,  
Chennai – 600 008

..... Applicant/RP

**IA/650/IB/2020 in CP/768/IB/2018**  
filed under Section 33 r/w 60(5) of the  
Insolvency and Bankruptcy Code, 2016

**Indian Overseas Bank**

Commercial and Institutional Credit Branch,  
R.K. Salai, Mylapore,  
Chennai – 600 004.



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**COMMON ORDER:**

IA/649/IB/2020, IA/648/IB/2020, IA/650/IB/2020,  
IA/364/IB/2020 & IA/651/IB/2020 in CP/768/IB/2018  
In the matter of M/s. Padmaadevi Sugars Limited

**Bank of India**

Asset Recovery Branch,  
No.30, Errabul Street, Star House,  
4<sup>th</sup> Floor, Chennai – 600 004

..... Applicants/Proposed Respondents  
Vs.

**Mr. Mudapallur Varieth Gangadharan**

(Resolution Professional of  
M/s. Padmaadevi Sugars Limited)  
No.341, 6<sup>th</sup> Floor, Fountain Plaza,  
Pantheon Road, Egmore,  
Chennai – 600 008

..... Respondent/RP

**IA/364/IB/2020 in CP/768/IB/2018**  
filed under Section 60(5) of the  
Insolvency and Bankruptcy Code, 2016  
r/w. 32 of the Insolvency and Bankruptcy  
Board of India (Insolvency for Corporate  
Persons) Regulations, 2016 and r/w. Rule  
11 of the NCLT Rules, 2016.

**Mr. Mudapallur Varieth Gangadharan**

(Resolution Professional of  
M/s. Padmaadevi Sugars Limited)  
No.341, 6<sup>th</sup> Floor, Fountain Plaza,  
Pantheon Road, Egmore,  
Chennai – 600 008

..... Applicant/RP

Vs.

**M/s. Bank of India**

Star House,  
Erabalu Chetty Street,  
Chennai – 600 001.



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**COMMON ORDER:**

IA/649/IB/2020, IA/648/IB/2020, IA/650/IB/2020,  
IA/364/IB/2020 & IA/651/IB/2020 in CP/768/IB/2018  
In the matter of M/s. Padmaadevi Sugars Limited

**M/s. Indian Overseas Bank**  
AMR Branch Main Building,  
Anna Salai,  
Chennai – 600 002.

**M/s. Srinidhi Finance Private Limited**  
No.5/1, CIT Colony, 6<sup>th</sup> Cross Street,  
Mylapore, Chennai – 600 004.

.....Respondents

**IA/651/IB/2020 in CP/768/IB/2018**  
filed under Section 60(5) of the  
Insolvency and Bankruptcy Code, 2016.

**M/s. Indian Overseas Bank**  
Commercial and Institutional Credit Branch,  
R.K. Salai, Mylapore,  
Chennai – 600 004.

**M/s. Bank of India**  
Asset Recovery Branch,  
No.30, Errabul Street, Star House,  
4<sup>th</sup> Floor, Chennai – 600 004

..... Applicants

Vs.

**Mr. Mudapallur Varieth Gangadharan**  
(Resolution Professional of  
M/s. Padmaadevi Sugars Limited)  
No.341, 6<sup>th</sup> Floor, Fountain Plaza,  
Pantheon Road, Egmore,  
Chennai – 600 008

..... Respondent/RP

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**COMMON ORDER:**

IA/649/IB/2020, IA/648/IB/2020, IA/650/IB/2020,  
IA/364/IB/2020 & IA/651/IB/2020 in CP/768/IB/2018  
In the matter of M/s. Padmaadevi Sugars Limited

**CORAM:**

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

**Presents:-**

**IA/649 & 648/IB/2020:-**

Counsel for the Applicant/RP : *Shri. A.G. Sathyanarayana, Advocate*

**IA/650/IB/2020:-**

Counsel for the Applicant(s) : *Shri. S. Sathiyarayanan, Advocate*  
*for Indian Overseas Bank & Bank of India*

For the Respondent/RP : *Shri. A.G. Sathyanarayana, Advocate*

**IA/364/IB/2020:-**

Counsel for the Applicant/RP : *Shri. A.G. Sathyanarayana, Advocate*

For the Respondent(s) : *Shri. S. Sathiyarayanan, Advocate*  
*for Bank of India & Indian Overseas Bank*

**IA/651/IB/2020:-**

Counsel for the Applicant(s) : *Shri. S. Sathiyarayanan, Advocate*

*for Bank of India & Indian Overseas Bank*  
For the Respondent/RP : *Shri. A.G. Sathyanarayana, Advocate*

**COMMON ORDER**

**Per: R.SUCHARITHA, MEMBER (JUDICIAL)**

**Order Pronounced on: 20.04.2021**

IA/649/IB/2020 is filed by the liquidator under Section 33 (1) of the Insolvency and Bankruptcy Code, 2016 for liquidation of the Corporate Debtor, seeking reliefs as follows:



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**COMMON ORDER:**

IA/649/IB/2020, IA/648/IB/2020, IA/650/IB/2020,  
IA/364/IB/2020 & IA/651/IB/2020 in CP/768/IB/2018  
In the matter of M/s. Padmaadevi Sugars Limited

- a) *That this Hon'ble Tribunal may be pleased to pass necessary orders that the Corporate Debtor (Padmaadevi Sugars Limited) be liquidated in the manner as laid down under the Code.*
- b) *In terms of Section 33/34(1) of the Code to pass an order that the existing Resolution Professional (Mr. Mudapallur Varieth Gangadharan, the applicant herein) having Registration No: IBBI/IPA-001/IP-P00438/2017-18/10761 to act as the Liquidator of the Corporate Debtor for the purpose of liquidation of the Corporate Debtor".*

2. By order dated 15.10.2018, this Adjudicating Authority ordered for Corporate Insolvency Resolution Process ("CIRP") of the Corporate Debtor and the Applicant herein was appointed as the IRP. Subsequently in the first CoC meeting dated 14.11.2018, the IRP was appointed as Resolution Professional. Since then, the Applicant herein has been operating as RP of the Corporate Debtor. The CIRP period was ended on 17.01.2021.

3. The Counsel for the Applicant submits that CoC meetings were held and Expression of Interest i.e., Form G inviting resolution plan was published on 02.01.2019. The Expression of Interest ought to be submitted on or before 27.02.2019. However, no Resolution Applicant approached the RP or the CoC within the prescribed period of time.

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**COMMON ORDER:**

IA/649/IB/2020, IA/648/IB/2020, IA/650/IB/2020,  
IA/364/IB/2020 & IA/651/IB/2020 in CP/768/IB/2018  
In the matter of M/s. Padmaadevi Sugars Limited



Thereafter, the application to extend the CIRP was filed by the Applicant in MA/477/2019. This Adjudicating Authority vide order dated 11.07.2019 allowed the application for exclusion of 189 days. Subsequently, the CIRP period was extended.

4. However, the CIRP period was ended on 17.01.2021 and as per the pleadings of the Applicant, no Resolution Applicant approached the Applicant and no Expression of Interest was received. Since the 330 days of CIRP period was ended and there is no constructive proposal pending approval on the hand, this Adjudicating Authority is left with no option but to order for liquidation of the Corporate Debtor.

5. IA/648/IB/2020 is filed by the Applicant/RP seeking for condonation of delay of 6 days in filing the application for liquidation. The IA/648/IB/2020 stands **allowed**.

6. IA/650/IB/2020 is filed by the Financial Creditors namely, Indian Overseas Bank and Bank of India, seeking permission to implead themselves in IA/649/IB/2020.

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**COMMON ORDER:**

IA/649/IB/2020, IA/648/IB/2020, IA/650/IB/2020,  
IA/364/IB/2020 & IA/651/IB/2020 in CP/768/IB/2018  
In the matter of M/s. Padmaadevi Sugars Limited

7. It is pertinent to mention here that, IA/650/IB/2020 filed by the Indian Overseas Bank and Bank of India, have raised various allegations against the present Applicant/RP. The Bankers namely, Indian Overseas Bank holds 63.80% of the voting rights of the CoC and Bank of India holds 32.75% of the voting rights of the CoC and together they hold 96.55% of the voting rights of the CoC of the Corporate Debtor.

8. There are lot of allegations of mis-management filed by these Applicants. The Applicants have also brought to the notice of this Adjudicating Authority that the e-voting facility of the 10<sup>th</sup> CoC meeting on 07.08.2020 was not conducted in the appropriate manner. There has been tremendous lapses on the part of the Applicant/RP.

9. IA/364/IB/2020 is filed by the Applicant/RP, seeking for a direction to the Financial Creditors/CoCs to release the pending CIRP costs of Rs.65,66,871/- to the Applicant and this is the subject matter of IA/364/IB/2020.



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**COMMON ORDER:**

IA/649/IB/2020, IA/648/IB/2020, IA/650/IB/2020,  
IA/364/IB/2020 & IA/651/IB/2020 in CP/768/IB/2018  
In the matter of M/s. Padmaadevi Sugars Limited

10. Apparently on reading all the pleadings and submissions made by the respective Learned Counsels, it is very clear that, CoC members and the Resolution Professional were at loggerheads. There was no co-operation or co-ordination between them. Both parties are throwing so much of allegations against each other. However, this Adjudicating Authority does not want to go into the merits of the conduct and the lapses, if any, on the part of the Resolution Professional.

11. Since the Financial Creditors together holding 96.55% voting rights of the Corporate Debtor, has raised serious allegations against the conduct in which the CIRP against RP, it cannot be buried under the carpet. Hence, **the Registry** shall forward this order along with the copy of the application filed in IA/650/IB/2020 to IBBI, to verify if there are any lapses on the part of the RP in process of the CIRP.

12. Since there are allegations by the majority of the CoC members against this particular Applicant/Resolution Professional, this RP is not appointed as a Liquidator of the Corporate Debtor.

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**COMMON ORDER:**

IA/649/IB/2020, IA/648/IB/2020, IA/650/IB/2020,  
IA/364/IB/2020 & IA/651/IB/2020 in CP/768/IB/2018  
In the matter of M/s. Padmaadevi Sugars Limited



13. More than 330 days of the CIRP period was ended on 17.01.2021 and no Resolution Plan or any proposal is pending, and also the company is not a going concern, considering all these facts, it is ordered that the Corporate Debtor herein shall be liquidated. This Adjudicating Authority hereby appoint **Mr. C. Ramasubramaniam** having Registration No: IBBI/IPA-002/IP-N00052/2016-17/10096 to act 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 him.
- 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.



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**COMMON ORDER:**

IA/649/IB/2020, IA/648/IB/2020, IA/650/IB/2020,  
IA/364/IB/2020 & IA/651/IB/2020 in CP/768/IB/2018  
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- c) The Liquidator shall investigate the financial affairs of the Corporate Debtor particularly, in relation to preferential transactions/ undervalued transactions and such other similar 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.

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**COMMON ORDER:**

IA/649/IB/2020, IA/648/IB/2020, IA/650/IB/2020,  
IA/364/IB/2020 & IA/651/IB/2020 in CP/768/IB/2018  
In the matter of M/s. Padmaadevi Sugars Limited



- 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, viz., company-in-liquidation.

14. Accordingly, IA/649/IB/2020 is hereby **allowed** with the aforesaid terms.



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**COMMON ORDER:**

IA/649/IB/2020, IA/648/IB/2020, IA/650/IB/2020,  
IA/364/IB/2020 & IA/651/IB/2020 in CP/768/IB/2018  
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15. In respective, IA/649/IB/2020, the RP along with the order of liquidation has also sought for a prayer seeking directions to the Financial Creditors to release the CIRP costs. However, this prayer under Section 33(1) is not maintainable. However, the relief sought for seeking a direction to the CoC members to pay the CIRP costs is the subject matter of the IA/364/IB/2020.

16. On verification of the files, it is clear that the Respondents herein, have not filed their Counter in IA/364/IB/2020. The RP has claimed amount towards CIRP costs and a few invoices are seen to have been enclosed. However, the RP has not stated as to whether these expenses were ratified by the CoC and the meetings in which these bills were kept for ratification. The details of the same were not filed along with this application.

17. Since the Respondents have not filed their Counter, the RP is directed to submit all these bills to the CoC members for their approval and the CoC members shall within three weeks from today i.e., 20.04.2021, reply to the bills claimed by the RP.

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**COMMON ORDER:**

IA/649/IB/2020, IA/648/IB/2020, IA/650/IB/2020,  
IA/364/IB/2020 & IA/651/IB/2020 in CP/768/IB/2018  
In the matter of M/s. Padmaadevi Sugars Limited

18. IA/651/IB/2020 is filed by the Applicants namely, Indian Overseas Bank and Bank of India, seeking for a direction to the Respondent to restore the e-voting facility to enable the 1<sup>st</sup> Applicant also to cast their vote on the agenda of the 10<sup>th</sup> CoC Meeting.

19. In view of the above, a) IA/648/IB/2020, b) IA/650/IB/2020, c) IA/651/IB/2020 and IA/364/IB/2020 are hereby **closed**.

20. Accordingly, IA/649/IB/2020 is **allowed**.

-sd-  
(ANIL KUMAR B)  
MEMBER (TECHNICAL)

-sd-  
(R. SUCHARITHA)  
MEMBER (JUDICIAL)

SR

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**COMMON ORDER:**

IA/649/IB/2020, IA/648/IB/2020, IA/650/IB/2020,  
IA/364/IB/2020 & IA/651/IB/2020 in CP/768/IB/2018  
In the matter of M/s. Padmaadevi Sugars Limited