

**NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT 1)
CHENNAI**

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF CHENNAI BENCH,
NATIONAL COMPANY LAW TRIBUNAL HELD ON 06.01.2021
at 02.15 P.M. THROUGH VIDEO CONFERENCING.

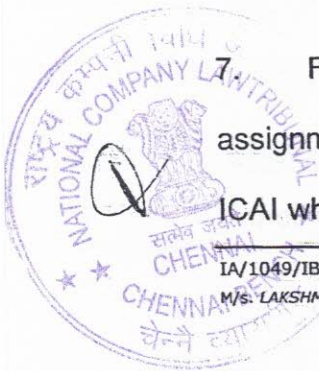
**PRESENT : SHRI R. VARADHARAJAN MEMBER – JUDICIAL
SHRI ANIL KUMAR B. MEMBER - TECHNICAL**

APPLICATION NUMBER : IA/1049/IB/2020
PETITION NUMBER : IBA/363/2019
NAME OF THE PETITIONER(S) : CA.S.Prabhu (RP) M/S Of Lakshmi Subbaiaah Tex
Pvt Ltd
NAME OF THE RESPONDENT(S) :
UNDER SECTION : Sec 33(1)(a),33(2) & 34(1) Of IBC 2016 R/W
Rule 11



3. It is also represented by Learned Counsel for the Applicant that the IRP had appointed two registered valuers on 18.06.2020 and the value which had been done by these Valuers which were to the extent of Rs.41.12 Crores in relation to fair value and Rs.29.90 Crores in relation to liquidation value.
4. It has also been represented by Learned Counsel for Applicant that the invitation of EoI (Expression of Interest) was issued on 02.08.2020 but there was no response to the said EoI.
5. Learned Counsel for the Applicant has also apprised this Tribunal that the Company is not functioning for more than three years and there is no business done by the Company for the said period. In the circumstances, the CoC members had decided to liquidate the Corporate Debtor by its resolution passed dated 22.09.2020 with 100% majority.
6. It was also decided by the CoC to appoint the present RP viz., Mr. S. Prabhu to act as a Liquidator if this Tribunal chooses to liquidate the Corporate Debtor as sought for. It is also highlighted by Learned Counsel for the Applicant that the Union Bank of India has agreed to contribute the entire liquidation cost as and when incurred by the Liquidator and hence no other funds need to be created for this purpose which is also reflected in the typed set filed of the Minutes of the CoC meeting reflected at Page No.44 of the typed set. It is pointed out by Learned Counsel for the Liquidator that the Liquidator has also filed a written consent as to act as a Liquidator in Form AA dated 22.09.2020.

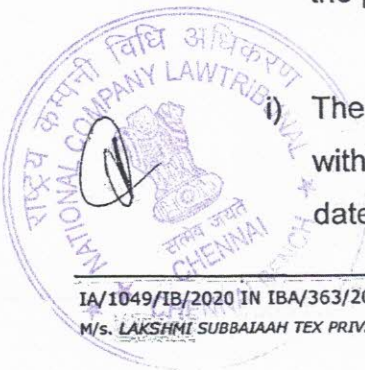
Further Learned Counsel for the Applicant also submits the authorization for assignment in Form B issued by the Indian Institute of Insolvency Professionals of ICAI which has also been circulated by way of e-mail and that the same is issued in



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 governs 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.

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



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

IA/1049/IB/2020 IN IBA/363/2019

*(filed under Sections 33 (1) (a), 33 (2) & 34 (1) of the Insolvency and Bankruptcy Code,
2016 Read with Rule 11 of the National Company Law Tribunal Rules, 2016)*

In the matter of **M/s. LAKSHMI SUBBAIAAH TEX PRIVATE LIMITED**

Swaminathan Prabhu,
Resolution Professional of
M/s. Lakshmi Subbaiaah Tex Private Limited,
M/s. SPP & Co. Chartered Accountants,
No.27/9, Nivedh Vikas, Pankaja Mill Road,
Puliyakulam,
Coimbatore 641 045.

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Applicant

Order delivered on **6th January 2021**

CORAM :

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

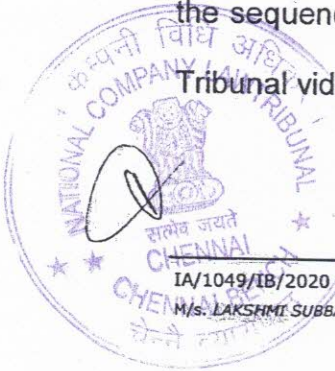
For Applicant : A.G. Sathyanarayana, Advocate

ORDER

Per: R. VARADHARAJAN, MEMBER (JUDICIAL)

Heard and dictated in Open Court

1. Learned Counsel for the Resolution Professional Mr. A.G. Sathyanarayana is present through video conferencing platform and represents that this Application has been filed by the RP of the Corporate Debtor seeking for liquidation of the Corporate Debtor in view of the resolution passed by the CoC on 22.09.2020.
2. Learned Counsel for Applicant represents that Form-H has been filed detailing the sequence of events since initiation of the CIRP of the Corporate Debtor by this Tribunal vide its order dated 05.05.2020.



AAI/11948/02/161221/101868 dated 17.12.2020. Perusal of the same, shows that the Authorization assignment is valid till 16.12.2021.

8. Taking into consideration lack of any response to the EoI and the resolution passed by the CoC dated 22.09.2020 resolving for liquidation of the Corporate Debtor under the Provisions of Section 33 (2) of IBC, 2016 with 100% voting share the Corporate Debtor viz., M/s. Lakshmi Subbaiaah Tex Pvt. Ltd. is ordered to be liquidated and Mr. S. Prabhu, Chartered Accountant is appointed as Liquidator in relation to the Company which has been ordered to be liquidated.

9. Thus, in view of the facts and circumstances of the case, this Tribunal hereby order, liquidation of the Corporate Debtor by appointing **Mr. SWAMINATHAN PRABHU**, Chartered Accountant, IBBI Reg. No. IBBI/IPA-001/IP-PO1275/2018-19/11948 as the Liquidator of the Corporate Debtor to carryout 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.

c) The Liquidator shall investigate the financial affairs of the Corporate Debtor particularly, in relation to preferential transactions/



(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.

10. The application IA/1049/IB/2020 stands disposed of with the aforesaid terms.

All the connected Applications, if any, stands closed.

-SD-

(ANIL KUMAR B)
MEMBER (TECHNICAL)

-SD-

(R.VARADHARAJAN)
MEMBER (JUDICIAL)

ghk



Certified to be True Copy

K. N. K. J.
11/11/2021
DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH,
CORPORATE BHAVAN, 3rd FLOOR,
28, RAJAGOPAL SALAI, CHENNAI-600001