

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

**CP(IB)/84(CHE)/2022**

*(filed under Section 59(7) of Insolvency & Bankruptcy Code, 2016 r/w Reg. 38(3) of  
Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process)  
Regulations, 2017*

*In the matter of **M/s. Pavanraj Fabs India Private Limited***

**Mrs. Ramela Rangasamy,**

Liquidator M/s. PAVANRAJ FABS INDIA PRIVATE LIMITED

A6, Aryaa Harmony Apartment,

Police Kandasamy Street, Olympus,

Ramanathapuram, Coimbatore 641 045. ...

*Applicant*

*Order pronounced on **19<sup>th</sup> July, 2023***

CORAM:

**SANJIV JAIN MEMBER (JUDICIAL)  
SAMEER KAKAR, MEMBER (TECHNICAL)**

*Present: -*

*For Applicant: Ms. E.Santhalakshmi, Advocate*

**ORDER**

(Hearing Conducted Through VC)

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

CP(IB)/84(CHE)/2022 has been filed seeking the following relief: -

*"Dissolving the Corporate Debtor i.e., Pavanraj Fabs  
India Private Limited, under Section 59(8) of the  
IBC."*

2. The Company was incorporated under the Companies Act, 1956  
dated 24.10.2005, having registered office at No.132, Sankari Road,



Tiruchengode - 637 211, Namakkal District, was in the business of cotton spinning.

3. Shareholders of the Corporate Debtor passed a special resolution to initiate voluntary liquidation by furnishing of declaration with affidavit on 30.03.2021 and appointed the Applicant as the Liquidator. Copy of Special Resolution was filed under Form-MGT 14 on 05.05.2021 which is attached as Annexure-1.

4. The Applicant gave public announcement in Form-A in the newspapers viz., Trinity Mirror (English) and Makkal Kural (Tamil) on 03.04.2021 and also on the website of IBBI on 02.04.2021. Copy of Form-A is attached as Annexure-3 and 3A. Preliminary report was submitted on 14.05.2021. It is stated that the Liquidator received the following claims in the liquidation process.

i	M. Arthi – Unsecured Creditor	110334
ii	P. Thangaraj – Shareholder	14300000
iii	M. Arthi – Shareholder	700000

5. Bank account was opened with HDFC Bank Ltd and cash in hand was on the liquidation commencement date amounting to Rs.3,54,840/- was deposited in the said bank. The company under liquidation owned several assets which were valued by the valuer



appointed by the Liquidator. The summary of the two valuation reports are extracted hereunder: - (page No.60 and 98)

Name of the Valuer : Mr. Senthil Prakash Ramasamy		
Particulars	Fair value (Rs.)	Liquidation Value (Rs.)
Land	99,36,000/-	79,48,800/-
Building	1,46,84,822/-	1,17,47,858/-
Miscellaneous Developments	17,23,247/-	13,78,597/-
Total	2,63,44,069/-	2,10,75,255/-
Round off (or Say)	2,63,44,000/-	2,10,75,000/-

Name of the Valuer : Mr. Nirmal Kumar Manickam		
Particulars	Fair value (INR)	Liquidation Value (INR)
Land	89 70 000	71 76 000
Building	1 55 55 900	1 24 44 720
Ancillary Developments & Improvements	12 47 875	9 98 000
Total	2 57 73 775	2 06 18 720
OR say (round off)	2 50 00 000	2 00 00 000

6. The sale notice was issued by the Liquidator on 02.10.2021 in Financial Express (English) and Malai Murasu (Tamil) and e-auction was conducted on 25.10.2021 where the entire assets were sold to the successful bidder viz., Sethiya Exports Pvt. Ltd for a sum of Rs.2,61,00,000/-.



7. The sale proceeds were later on deposited by the successful bidder. The other current assets comprising of balances lying with various banks and amount were collected by the Liquidator.

8. After disposing the entire assets of the Corporate Debtor, the following amounts were distributed to the claimants.

i	M. Arthi – Unsecured Creditor	110334
ii	P. Thangaraj – Shareholder	14300000
iii	M. Arthi – Shareholder	700000
iv	Further balance available distributed in ratio of capital as follow	
	P Thangaraj– Shareholder (95.33%)	7621765
	M Arthi- Shareholder (4.67%)	871581

9. Form – H has been filed under SR.No.693 dated 13.02.2023.

10. It is stated that the Liquidator has not filed any application under Section(s) 43, 45, 49 or 66 of the Code. The Liquidator has closed the bank account of the Corporate Debtor. The position of various compliances summarized as below.



S.No.	COMPLIANCE	REFERENCE
1.	59(3)(a) read with Regulation 3(4)) Declaration by way of an Affidavit From majority of the Directors to be filed.	Annexure 2 (page 21), paragraph 1 at page 3
2.	(Sec. 59(3)(b)(i)) Audited Financial Statements and record of business operations for the previous two years to be filed.	Annexure 2 (page 104-126 & 139)
3.	Sec. 59(3)(b)(ii) Valuation Report to be filed.	Annexure 2 (pages 24-103)
4.	(Sec. 59(3)(c)(i)) Special Resolution requiring the Company to be liquidated voluntarily and appointing an insolvency professional within 4 weeks from the Declaration made under Section 59(3)(a).	Annexure 2 (pages 18-20) Paragraph 1 at page 3
5.	(Proviso to Sec. 59(3)(c)) Approval of Resolution passed under Section 59(3)(c) by creditors (2/3 <sup>rd</sup> in value) if any, within 7 days from the date of Resolution.	No creditors other than shareholders
6.	(Sec. 59(4)) Intimation to RoC & IBBI within 7 days from the date of the Resolution under 59(3)(c) or after approval of the creditors	Annexure 2 (page 10-17) Paragraphs 1 & 2 at page 3
7.	(Regulation 14) Proof of Public Announcement made in 'Form – A' within 5 days from the date of appointment	Annexure 3 (140-141) Paragraph 2 at page 3
8.	(Regulation 30) List of Stakeholders in case of claims under Chapter V of the Regulations	Page 4, paragraph 4
9.	(Regulation 9) 'Preliminary Report' along with proof of submission of the same to the Company within 45 days from the LCD	Annexure 4 (page 142) Paragraph 3 at page 3
10.	(Regulation 34) Opening of Bank Account in the name of the Company followed by the words 'in liquidation' in a Scheduled Bank	Annexure 7a (page 180) Paragraph 5a at page 4
11.	Proof of Closure of the above Bank Account and any other account in the name of the Company	Annexure 7a (Page 180) Paragraph 5d at



		page 54 Annexure 6-Para 9 page no. 173 & 186)
12.	(Regulation 35) Proof of distribution within six months from the receipt of realization	Paragraph 5e at page 5 Annexure 6 and 7a (page 180)
13.	(Regulation 38) 'Final Report' along with proof of submission of the same to RoC & IBBI	Annexure 6 (page 170-176) Paragraph 5g at page 6
14.	(Regulation 37) Completion of liquidation process within twelve months from LCD	Paragraph 5i and j at page 6
15.	(Regulation 37) Annual Status Report prepared (if any)	NIL

11. On examining the submissions made by the Learned Counsel for the Applicant and after perusing the documents annexed to the Application, we find that the affairs of the Company have been completely wound up and the assets of the Applicant Company have been completely liquidated and as such the Applicant Company deserves to be dissolved. Accordingly, in exercise of the powers conferred under Section 59(8) of IBC, 2016, we hereby order the dissolution of **M/s. Pavanraj Fabs India Private Limited** and the Applicant Company shall stand dissolved from the date of this order. Accordingly, the Company Application stands **allowed**.



12. The *Registry* and the Liquidator are directed to serve a copy of this order upon the Registrar of Companies, Chennai, and also to IBBI, within 14 days from the date of this Order.

— Sd

**SAMEER KAKAR**  
MEMBER (TECHNICAL)

— Sd —

**SANJIV JAIN**  
MEMBER (JUDICIAL)