

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

MA/1412/2019 in IBA/196/IB/2019 filed
under *Sections 33 (2)* of the Insolvency and
Bankruptcy Code, 2016

In the matter of *M/s. Honeycomb Technologies Private Limited*

J. Manivannan,

Applicant/Resolution Professional

CORAM:

R.VARADHARAJAN,
MEMBER (JUDICIAL)

ANIL KUMAR B,
MEMBER (TECHNICAL)

For Applicant

: J. Manivannan IRP in person

ORDER

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

Order delivered on 12th of March, 2020

1. MA/1412/2019 in IBA/196/IB/2019 has been filed
by the Resolution Professional namely *J. Manivannan,*

3. IBA/196/(IB)/2019 filed under Section 9 of the I&B Code, 2016 by the Operational Creditor viz., K. Sundarrajan, against the Corporate Debtor viz., M/s. Honeycomb Technologies Private Limited, was admitted by this Authority vide Order dated 24.05.2019, the CIR Process was initiated against the Corporate Debtor and the Applicant namely J. Manivannan was appointed as Interim Resolution Professional (IRP).

4. It is contended that pursuant to the Order of this Authority dated 24.05.2019, the IRP had taken over the management of the Corporate Debtor and had issued the Newspaper Publication dated 30.05.2019 as per Regulation 6 (1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Debtor) Regulations, 2016, inviting the claims from the creditors.

5. Pursuant to the said publication dated 30.05.2019, the IRP has received claims from two Financial Creditors



namely Canara Bank and Oriental Bank of Commerce respectively. It is stated by the Resolution Professional that no other claims were received from any other creditors by him. It is contended that after scrutiny of the claims received, the IRP constituted the Committee of Creditors (CoC), on 20.06.2019 as per Section 21 of the I&B Code, 2016.

6. In the 1st Meeting of the CoC held on 02.07.2019, deliberations were made with regard to feasibility and viability of the business in relation to the Corporate Debtor. In view of the fact that the Bank has sold the main factory along with substantial plant and machinery in respect of Corporate Debtor under SARFAESI proceedings and there was no substantial realizable assets in the Corporate Debtor other than the leasehold land and noncore assets which is insignificant and negligible, the CoC was of the view that the liquidation is the last resort for the Corporate Debtor.



7. It is averred in the Application that as the Corporate Debtor was not at all operational for the last few years and has no employees as on the date of commencement of CIR Process, the IRP was not in a position to appoint the Registered Valuers for determination of fair and liquidation value of the assets of the Corporate Debtor; call for 'Expression of Interest' for inviting Resolution Plan and prepare the Information Memorandum in accordance with the I&B Code, 2016.

8. In the 2nd Meeting of the CoC held on 18.11.2019, the CoC has decided to take a call on initiation of Liquidation of the Corporate Debtor and also assured that they will bear the liquidation cost after realization of leasehold land and other asset. In due course, the CoC has unanimously resolved to liquidate the Company namely the Corporate Debtor. The operative part of the Resolution reads as follows: -



“Resolved that the Resolution Professional be and is hereby authorised to file an application under Section 33 of the Insolvency and Bankruptcy Code, 2016 read with the relevant regulations for the Liquidation of the Corporate Debtor and take the necessary actions in connection therein”.

9. Upon a query posed to the Resolution Professional whether he is willing to act as a Liquidator, if appointed by this Authority, the Resolution Professional has fairly accepted and showed his willingness to act as Liquidator and also filed the written consent which is placed on record in the additional typed set of documents filed along with the Application. Perusal of it shows that the Resolution Professional has given a written consent by the signed letter dated 18.11.2019 to act as a Liquidator of the Corporate Debtor, if appointed by this Authority. In the circumstances, J. Manivannan is appointed as the Liquidator in relation to the Liquidation proceedings ordered hereby of the Corporate Debtor which is presently under CIR Process.



10. In view of the facts and circumstances recorded by the Resolution Professional in MA/1412/2019 in IBA/196/IB/2019 and since, no Resolution Plan has been received by this Authority under Sub-section (6) of Section 30 of the I&B Code, 2016, before the expiry of the maximum period of 180 days CIR Process, in exercise of powers conferred under Sub-Clauses (i) (ii) and (iii) of Clause (a) of Sub-Section (1) of Section 33 of the I&B Code, 2016, this Authority proceeds to pass the Liquidation Order as follows:-

a) J. Manivannan [Reg. No. IBBI /IPA-002 / IP-N00534/2017-2018/11695, Plot No.53B, 8/330, Vishalakshi Nagar, Fourth Cross Street, Santhosapuram, Chennai, Tamil Nadu – 600 073
Ph: 91-9962378774 Email ID: equitablelegal@gmail.com] is appointed as the Liquidator of the Corporate Debtor. He shall strictly act in accordance with the provisions of I&B Code, 2016 and the attendant Rules and



regulations including Insolvency and Bankruptcy (Liquidation Process) Regulations, 2017 as enjoined upon him.

- b) J. Manivannan 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/ undervalued transactions and such other like transactions including fraudulent preferences.
- d) The Registry is directed to communicate this order to the concerned Registrar of Companies 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 as 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 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 Authority within 75 (seventy-five) days from the liquidation commencement date as per Regulation 13 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016.

j) Copy of this Order be sent to the Financial Creditors, Corporate Debtor and the Liquidator for taking necessary steps.

11. The Application stands ***disposed of*** with the above said terms.

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(ANIL KUMAR B)
MEMBER (TECHNICAL)

-SD-

(R.VARADHARAJAN)
MEMBER (JUDICIAL)