

291 ✓

IN THE NATIONAL COMPANY LAW TRIBUNAL  
KOLKATA BENCH  
KOLKATA

Coram : Shri Madan B. Gosavi,  
Hon'ble Member (J)  
&  
Shri Virendra Kumar Gupta  
Hon'ble Member (T)

CP (IB) No.1234/KB/2018 alongwith CA(IB) 14/KB/2020

In the matter of:

An application for initiation of Corporate Insolvency  
Resolution Process under Section 7 of the Insolvency  
and Bankruptcy Code, 2016 read with Rule 4(1) of the  
Insolvency and Bankruptcy (Application to Adjudicating  
Authority) Rules, 2016;

-And-

In the matter of:

Union Bank of India, having its registered office at Union Bank  
Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai-  
400 021, Maharashtra.

;  
... Applicant/Financial Creditor

-Versus-

In the matter of:

Purna Pharmaceuticals Private Ltd., having its registered office  
at 71, Canning Street, A-402/8, Bagree Market, Kolkata-700001  
West Bengal, CIN: U85100WB2008PTC129015;

... Respondent/Corporate Debtor

Counsel appeared:

1. Mr. Avik Chaudhuri, Advocate ] Resolution Professional

Date of Pronouncement of Order: 22.01.2020

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## ORDER

Per Shri M. B. Gosavi, Member(J):

**Union Bank of India-** the Financial Creditor filed this application under section 7 of Insolvency & Bankruptcy Code, 2016 (in short, I&B Code) against **Purna Pharmaceuticals Private Ltd.** – Corporate Debtor to start Corporate Insolvency Resolution Process (in short, “CIRP”) of the Corporate Debtor on a ground that the Corporate Debtor committed default in paying the financial debt of Rs.20,75,00,594/-.

2. By order dated 03.10.2019, this authority admitted the corporate debtor in CIRP. One Mr. Kannan Tiruvengadam of Netaji Subhas Villa, Flat No.3C, 3<sup>rd</sup> floor, 18 Karunamoyee Ghat Road, Near Dharapara, Tollygunge, Kolkata- 700 082, West Bengal, having registration no. IBBI/IPA-001/IP-P00253/2017-2018/10482 is appointed as the IRP. IRP made public announcement of the CIRP of the corporate debtor by publishing notice in Financial Express dated 06.10.2019 and Bartaman (Vernacular) dated 10.10.2019. He called upon the creditors of the corporate debtor to submit their claims with proof. It is seen from the records that the IRP received the claim from one financial creditor, i.e. Union Bank of India – the applicant. IRP constituted the CoC consisting of one member, i.e. Union Bank of India allotting it 100% voting share.

3. On 10.10.2019, IRP visited registered office of the corporate debtor. He found that the building in which the registered office of the corporate debtor was situated, was completely burnt. Upon his enquiry, local police informed him that in September, 2018, heavy fire had broken out, in which the entire building was engulfed. IRP did not get the financial papers and list of assets of the corporate debtor. He informed this fact to the CoC and requested Union Bank of India to

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provide the document, which the Corporate Debtor might have pledged/ mortgaged/ hypothecated some of its assets. However, bank could not hand over any such paper.

4. In first CoC meeting, the CoC did not confirm appointment of IRP as the RP. RP brought this fact to the notice of this authority. Hence, on 18.11.2019, this authority, by invoking its inherent jurisdiction, confirmed appointment of IRP as the RP holding that CIRP has to be completed in time-bound manner and the CoC cannot waste time on this and directed the RP to proceed with CIRP, as per the rules. It is seen from the records that the Bank/CoC handed over the RP proposal of insurance policy and copy of FIR renewing the fire at the office of the corporate debtor. Upon his enquiry, RP further came to know that the insurance company have closed the file due to non-cooperation from the corporate debtor. RP could not pursue that matter for want of logical support from the CoC.

5. In the second CoC meeting held on 29.11.2019 (i.e. 50<sup>th</sup> day of CIRP period), the CoC /Union Bank of India passed resolution to liquidate the corporate debtor. Accordingly, the RP filed this application (CA No.14/KB/2020) before this authority. CoC/Union Bank of India being the final authority to take decision about the resolution for liquidation of the corporate debtor, this authority is bound by the same.

6. It appears to us that CoC lost the interest in CIRP. Be that as it may. Since, CoC decided not to proceed with CIRP of the corporate debtor. We accept its decision. We have left with no option but to pass order of liquidation of the corporate debtor under section 33 of I&B Code. Hence, we proceed to pass order requiring the Corporate Debtor to be liquidated in the manner as laid

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down in the Chapter III of Part II of I&B Code. We also pass an order under section 33 of the I&B Code, 2016 to start process of liquidation of the Corporate Debtor as by the following order:

### ORDER

By this order, Corporate Debtor- **Purna Pharmaceuticals Private Ltd.** is liquidated.

2. Mr. Kannan Tiruvengadam of Netaji Subhas Villa, Flat No.3C, 3<sup>rd</sup> floor, 18 Karunamoyee Ghat Road, Near Dharapara, Tollygunge, Kolkata- 700 082, West Bengal, having registration no. IBBI/IPA-001/IP-P00253/2017-2018/10482 and email Id. [calkannan@gmail.com](mailto:calkannan@gmail.com) is appointed as the Liquidator.

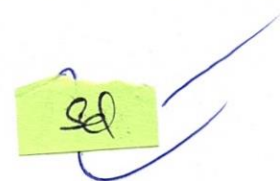
3. Mr. Kannan Tiruvengadam is directed to issue Public Announcement stating that the corporate debtor is in liquidation, in terms of Regulation 12 of the IBBI (Liquidation Process) Regulations, 2016.

4. The Registry is directed to communicate this order to the Registrar of Companies, West Bengal and to the Insolvency and Bankruptcy Board of India (IBBI), New Delhi.

5. The Order of Moratorium passed under Section 14 of the I&B Code, 2016 shall cease to have effects and a fresh moratorium under Section 33 (5) shall commence.


6. This order is deemed to be a notice of discharge to the officers, employees and the workmen of the Corporate Debtor as per Section 33 (7) of I&B Code, 2016.






7. The Liquidator is directed to proceed with the process of liquidation in a manner laid down in Chapter III of the Insolvency and Bankruptcy Code, 2016.
8. Upon proceeding with the liquidation the Liquidator shall file a **preliminary report** as per regulation 5 read with Reg.13 of the IBBI (Liquidation) Regulations, 2016 at the registry within 75 days from the liquidation commencement date and continue to file **progress reports** as per Reg.15(1) within 15 days after the end of the quarter in which he is appointed.
9. The fee payable to the Liquidator shall form part of the liquidation cost as provided under Reg. 4(1) of the IBBI (Liquidation Process) Regulations, 2016.
10. Registry is hereby directed to communicate the order to the RP, Financial Creditor, Corporate Debtor and the Liquidator by Speed Post and also by email for information and for taking necessary steps.
11. CP(IB) No.1234/KB/2018 alongwith the CA(IB)14/KB/2020 stands disposed off.

Let the certified copy of the order be issued upon compliance with requisite formalities.

  
(Virendra Kumar Gupta)  
Member(T)

  
(Madan B. Gosavi)  
Member (J)

*Signed on this, the 22<sup>nd</sup> day of January, 2020.*