IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH – II, CHENNAI

IA/1124(CHE)/2020 in IBA/546/2019
filed under Section 33 (2) of the Insolvency and Bankruptcy Code, 2016.

In the matter of **M/s. Prabhat Resources Limited**

Mr. Velayutham Jayavel,
Resolution Professional of
M/s. Prabhat Resources Limited
No. 2/485A, Harbour Bye Pass Road,
Tuticorin-628006.

----Applicant

CORAM

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

For the Applicant/RP : *Mr. S. Sathyanarayanan, Advocate*

ORDER

Per: R. SUCHARITHA, MEMBER (JUDICIAL)

Order Pronounced on : 23.02.2021

This application IA/1124(CHE) 2020 has been filed under Section 33(2) of the IBC, 2016 by the Resolution Professional (in Short "RP") seeking for liquidation of the Corporate Debtor namely M/s. Prabhat Resources Limited.

2. The brief averments of the Petitioner are that this Adjudicating Authority by its order dated 06.09.2019 in IBA/546/2019, initiated CIRP against the Corporate Debtor M/s. Prabhat Resources Limited and the Applicant was appointed as the IRP. In the 2nd CoC meeting it was resolved to appoint the applicant as Resolution Professional. The Applicant made a Public Announcement calling for Expression of Interest (EOI) on 19.11.2019 and since no EOI was received by the applicant till 27.12.2019. Thereafter, the Resolution Professional has appointed 2 IBBI Registered Valuers on 11.02.2020 for valuation of assets of the Corporate Debtor and Form-H filed by the Resolution Professional, it is evident that the fair value and liquidation value of the Corporate Debtor are as follows;

S. No	Particulars	Valuation Amount
1.	Fair Value	Rs.3,37,50,000/-
2.	Liquidation Value	Rs.82,65,000

3. It is also evident from the records that the 7th meeting of CoC held on 02.03.2020, it was resolved to seek extension of CIR Process for another 90 days from 05.03.2020. This Tribunal vide its order

dated 09.07.2020 in IA/406/2020 allowed extension of CIRP period for 90 days from 05.03.2020. In the 11th CoC meeting held on 05.12.2020, the members unanimously resolved to liquidate the Corporate Debtor and thereby directed the Applicant herein to approach this Tribunal for liquidation of the Corporate Debtor.

3. Based on the resolution passed in the 11th COC meeting held on 05.12.2020, the applicant has sought for liquidation of the Corporate Debtor under section 33(2) of the IBC, 2016. The Resolution Professional has expressed his unwillingness to continue as liquidator in relation to the Corporate Debtor and in the said the CoC has suggested the name of Mr. Ramachandran Subramanian, (IBBI/IPA-001/IP-PO1440/2018-2019/12136) to act as the liquidator of the Corporate Debtor and the COC has also unanimously passed a resolution to this effect. The said Insolvency Professional Mr. Ramachandran Subramanian has also given written consent to act as liquidator vide his letter dated 19.11.2020.

4. Under such circumstance, this Adjudicating Authority by taking into consideration, the written consent given by Insolvency

Professional, this bench hereby appoints Mr. Ramachandran Subramanian as 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.

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/ 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 authority 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.

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., and company-in-liquidation.

6. Hence, this application **IA/1124(CHE)/2020** stands **disposed of** with the aforesaid terms.

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

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(R. SUCHARITHA)
MEMBER (JUDICIAL)

KNP/TJS