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

MA/836/2019 in CP /1385/ IB/
2018 filed under Section 33(2) of
the Insolvency and Bankruptcy
Code, 2016

In the matter of M/s. Gokula Kannan Chits Tamilnadu Private Limited

Ms. Revathi S Raghunathan,
Resolution Professional

... Applicant

Order delivered on 27th of August, 2019

CORAM :

**CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)
ANIL KUMAR B, MEMBER (TECHNICAL)**

For Resolution Professional : Ms. Malathi Gopi, Counsel

ORDER

CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)

1. This relates to MA/836/2019 in CP/1385/IB/2018 that has been filed by **Ms. Revathi S Raghunathan** (hereinafter referred to as 'Resolution Professional') under Section 33(2) of the Insolvency and Bankruptcy Code, 2016 against M/s. Gokula Kannan Chits Tamilnadu Private Limited (hereinafter referred to as 'Corporate Debtor').

2. The prayers made by the Resolution Professional in the Application *inter alia* are to order for liquidation of the Corporate Debtor viz., M/s. Gokula Kannan Chits Tamilnadu Private Limited.

3. Originally, CP/1385/IB/2018 filed under Section 9 of the I&B Code, 2016 by the Operational Creditor viz., Mr. Shanmuga Sundaram. E.P, against the Corporate Debtor viz., M/s. Gokula Kannan Chits Tamilnadu Private Limited, was admitted by this Authority vide Order dated 21.01.2019, the CIR Process was initiated against the Corporate Debtor and the Applicant viz., Mrs. Revathi Raghunathan was appointed as Interim Resolution Professional (IRP).

4. It is averred that pursuant to the Order of this Authority dated 21.01.2019, the IRP had taken over the management of the Corporate Debtor and had issued the Newspaper Publication dated 25.01.2019 in two edition one in English and another in vernacular 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. After verification of the claims received, the IRP constituted Committee of Creditors (CoC).

5. It is averred that the main object of the Corporate Debtor is to commence, manage, conduct, supervise, terminate as a promoter, foreman, agent or in any other capacity all or any kind of chit business as may be lawful and to buy or invest in securities and investments as per the provisions of the Tamilnadu Chit Fund Act, 1982.

6. It is further averred that based on the particulars furnished by the Corporate Debtor, the Information Memorandum was prepared. The Resolution Professional states that no valuation was conducted as the Corporate Debtor is engaged only in the conduct of chit business and there are no assets held by the Corporate Debtor.

7. It is stated that the Applicant has been engaged in the process of collecting the outstanding dues from the defaulting subscribers. In the 2nd CoC Meeting held on 9th May 2019, the CoC has decided not to publish "EoI" as most of the subscribers in the chits of the Corporate Debtor are from the lower segments of the society.

8. In the 3rd CoC Meeting held on 16.07.2019, as there was no possibility of continuing the business of the Corporate Debtor as a 'going concern' or any possible resolution, and that the time period of 180 days of CIR Process was going to expire, the CoC has unanimously recommended for liquidation of the Corporate Debtor. The Resolution passed by the CoC is as follows:

"RESOLVED THAT the members of the Committee of the Creditors be and is hereby approved to file the Liquidation application and recommended Mrs. Revathi Raghunathan to be the Liquidator by filing appropriate form before the Hon'ble NCLT.

RESOLVED FURTHER THAT Mrs. Revathi Raghunathan be and is hereby authorised to file the Liquidation application before the Hon'ble NCLT Chennai and take the necessary direction in this respect."

9. Since no Resolution Plan is received by this Authority under Sub-section (6) of Section 30 of the I&B Code, 2016, before the expiry of the Corporate Insolvency Resolution Process period of 180 days, the Corporate Debtor has to be ordered for Liquidation.

ORDER

10. In view of the facts and circumstances recorded by Resolution Professional in MA/836/2019 in CP/1385/IB/2018 and 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 Liquidation Order as follows:-

- I. This Authority hereby orders for liquidation of the Corporate Debtor viz., M/s. Gokula Kannan Chits Tamilnadu Private Limited which shall be conducted in the manner as laid down in Chapter III of part II of the I&B Code, 2016;
- II. This Authority hereby appoints Mrs. Revathi Raghunathan as Company Liquidator as has been proposed by the CoC, who shall issue a public announcement stating therein that the Corporate Debtor is in liquidation;
- III. The moratorium declared under Section 14 of the I&B Code, 2016, shall cease to have effect from the date of the order of liquidation;
- IV. Subject to Section 52 of the I&B Code, 2016, no suit or other legal proceedings shall be instituted by/or against the Corporate Debtor. However, a suit and other legal

proceedings may be instituted by the Liquidator, on behalf of the Corporate Debtor, with the prior approval of this Authority.

- V. This Authority makes it clear that Para (IV) hereinabove shall not apply to legal proceedings in relation to such transactions as notified by the Central Government in consultation with any financial sector regulator.
- VI. This Order shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor, except when the business of the Corporate Debtor is continued during the liquidation process by the Liquidator.
- VII. All the powers of the Board of Directors, Key Managerial Personnel and the Partners of the Corporate Debtor, as the case may be,

shall cease to have effect and shall be vested with the Company Liquidator viz., Mrs. Revathi Raghunathan. In addition to this, the Company Liquidator shall exercise the powers and duties as enumerated in Sections 35 to 50, 52 to 54 of the I&B Code, 2016, r/w Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

VIII. The personnel of the Corporate Debtor shall extend all assistance and co-operation to the Liquidator as may be required by her in managing the affairs of the Corporate Debtor.

IX. The Company Liquidator shall be entitled to charge such fees for the conduct of the liquidation proceedings and in such a proportion to the value of the liquidation estate assets as specified under Regulation 4

of Insolvency and Bankruptcy Board of India
(Liquidation Process) Regulations, 2016.

X. The Registry is directed to communicate this order with immediate effect to the concerned Registrar of Companies, RD, OL, Registered Office of the Corporate Debtor and Company Liquidator viz., Mrs. Revathi Raghunathan, for information and compliance.

11. In terms of the above, MA/836/2019 in CP/1385/IB/2018 by the Resolution Professional under Section 33(2) of the I&B Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz., M/s. Gokula Kannan Chits Tamilnadu Private Limited is **allowed**.

12. The Order is pronounced in the open Court.

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ANIL KUMAR B
MEMBER (TECHNICAL)

-SD-
CH. MOHD. SHARIEF TARIQ
MEMBER (JUDICIAL)

P. ATHISTAMANI