

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

**IA(IBC)/466(CHE)/2022  
in  
IBA/135/2020**

*(filed under Section 33(2) & 60(5) of Insolvency and Bankruptcy Code, 2016)*

**In the matter of**

**MR.S.PALANIAPPAN**  
Resolution Professional of  
Saravana Stores Gold Palace Pvt. Ltd.

*... Applicant*

*In*

**In the matter of**

**MANGALA RANKA**

*... Operational Creditor*

*Vs.*

**SARAVANA STORES GOLD PALACE PVT. LTD.**

*... Corporate Debtor*

*Order pronounced on 28<sup>th</sup> November 2022*

CORAM:

**Dr. DEEPTI MUKESH MEMBER (JUDICIAL)  
SAMEER KAKAR, MEMBER (TECHNICAL)**



## Memo of Parties

Resolution Professional of  
Saravana Stores Gold Palace Pvt. Ltd.,  
B5, Patteshwarar Park North Block,  
Dr.Ramasamy Layout, Velandipalayam,  
Coimbatore – 641 025.

... Applicant

## Present

*For Applicant: Mr.N.P.Vijayakumar, Advocate*

## ORDER

**Per: DR. DEEPTI MUKESH, MEMBER (JUDICIAL)**

This IA(IBC)/466(CHE)/2022 was filed by Liquidator of Corporate Debtor viz., Saravana Stores Gold Palace Pvt. Ltd, under Section 33(5) & 60(5) of Insolvency and Bankruptcy Code, 2016 seeking to pass an order of liquidation of the Corporate Debtor and to appoint the Applicant as Liquidator of the Corporate Debtor.

2. It was averred in the application that the CIRP of the Corporate Debtor was initiated on 04.10.2021 and one Mr.Narayanan Srinivasan was appointed as Interim Resolution Professional (IRP). Subsequently, the IRP was replaced by the applicant vide order of this Tribunal dated 24.12.2021 and appointed as Resolution Professional of the Corporate Debtor.

3. As submitted and from the records, it is seen that Form-G was not published and the CIRP period of 180 days of the Corporate Debtor expired on 02.04.2022. So far, 4 meetings of the

CoC were conducted and the Corporate Debtor has not been a going concern for the last two years. Since no scope for a successful resolution under the CIRP, in the 3<sup>rd</sup> meeting of the CoC held on 17.02.2022 and in the 4<sup>th</sup> meeting of the CoC held on 14.03.2022, the sole Financial Creditor Viz., Karur Vysya Bank, passed a resolution for liquidation of the Corporate Debtor and to appoint the applicant as Liquidator. The decision to apply for liquidation was taken by CoC with a 100% voting share much before the expiry of 180 days of the CIRP period. Hence, no extension of CIRP was sought by Resolution Professional.

4. It is seen that in the minutes of the 3<sup>rd</sup> meeting of the CoC held on 17.02.2022 it was resolved as follows,

*"RESOLVED THAT the CoC has decided to initiate the Liquidation of the Corporate Debtor under Section 33(2) of the IBC, 2016 during the Corporate Insolvency Resolution Process, before the receipt or confirmation of a Resolution Plan, and that the RP intimates the decision of the CoC to the Adjudicating Authority after finalizing the estimation of the liquidation cost in the next CoC.*

*RESOLVED THAT the present RP, CA S.Palaniappan would continue as the Liquidator of the CD and that the Liquidator be paid a fee in proportion to the amount of realisation and distribution of the assets of the CD as per Regulation 4 of the IBBI (Liquidation Process) Regulation, 2016, subject to the minimum monthly remuneration of not less than the monthly fee paid to the RP during the CIRP period plus actual out-of-pocket expenses reimbursed by the Financial Creditor.*

*RESOLVED THAT Mr. N.P. Vijayakumar, Advocate or other Advocates identified by the RP is approved to be a legal*



*counsel of the CD for filing necessary applications before the Hon'ble NCLT and/or other legal forums.*

*RESOLVED THAT pursuant to Regulation 19(2) of IBBI (CIRP) Regulations, 2016, CoC grants the RP the authority to hold/conduct future meetings of CoC by giving notice period of not less than forty-eight hours.*

*The above resolutions were passed by 100% of the votes"*

5. It also noted that the Applicant has filed a written consent dated 17.02.2022, under Form-AA as per Regulation 3(1A) of IBBI (Liquidation Process) Regulation 2016, to act as a Liquidator of the Corporate Debtor.

6. Upon verification in the IBBI portal it is seen that the Applicant has valid Authorization for Assignment (AFA) till 08.11.2023, AFA Certificate No. [AA1/11207/02/081123/104739] and there is no disciplinary proceeding pending against the Applicant.

7. In view of the above, this Adjudicating Authority is of the considered opinion that no interference is required in the decision of CoC with 100% voting, thereby passing the order for liquidation of the Corporate Debtor and **Mr. S.Palaniappan, Reg.No. [IBBI/IPA-001/IP-P00730/2017-2018/11207],** **(e-mail: palyegu@yahoo.co.in)** is appointed as the 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 up to date enjoined upon him.
- 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 a 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 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 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 reports 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 to be sent to the Financial Creditors, Corporate Debtor and the Liquidator for taking necessary steps and for extending the necessary cooperation in relation to the Liquidation process of the Corporate Debtor, viz., company-in-liquidation.

8. The application IA/466(CHE)/2022 stands **allowed** with the aforesaid directions.

-Sd-

**SAMEER KAKAR**  
MEMBER (TECHNICAL)

-Sd-

**Dr.DEEPTI MUKESH**  
MEMBER (TECHNICAL)

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