

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

**MA/594/2019
IN
CP/749IB/2018**

Application filed under sections 33(1)(a), 33(2) & 34(1) of the IBC, 2016

In the matter of M/s. Chandra Royal Inn Private Limited

Mr. Tharuvai Ramachandran Ravichandran, RP **...Applicant**
Resolution Professional
Representing Corporate Debtor
(M/s. Chandra Royal Inn Private Limited)

Order delivered on: 27.06.2019

CORAM:

**B. S.V. PRAKASH KUMAR, MEMBER (JUDICIAL)
S. VIJAYARAGHAVAN, MEMBER (TECHNICAL)**

For the Applicant: *Mr. B.Dhanaraj, Advocate*

ORDER

Per: B. S.V. PRAKASH KUMAR, MEMBER (JUDICIAL)

Order Pronounced on 27.06.2019

It is an MA filed u/s 33(2) of the Insolvency & Bankruptcy Code, 2016 ("the Code") by the Resolution Professional of M/s. **Chandra Royal Inn Private Limited** (Corporate Debtor) seeking liquidation of

the Corporate Debtor based on the resolution dated 03.06.2019 passed by the CoC with sole Financial Creditor having voting share of 100% at the sixth COC meeting.

2. On perusal of this application, it appears that this case was admitted on 06.09.2018 by appointing the applicant as IRP, who is subsequently confirmed as RP by the CoC in the first meeting held on 05.10.2018. On having the RP received four claims viz SIDBI (Financial Creditor), State Tax Officer, Nagapatinam (Operational Creditor), Mr. M. Govindaraj and Mr. V. Stalin (Unsecured Financial Creditors), he has approved the claims of SIDBI (Financial Creditor), State Tax Officer, Nagapatinam (Operational Creditor) and rejected the claims of Unsecured Financial Creditors namely M. Govindaraj and Mr. V. Stalin for noncompliance of Regulation 7 & 8 of the IBBI (IRPCP) Regulations, 2016. Thereafter, the RP appointed two Registered Valuers to value the assets of the Company. On valuation given by the Valuers, the RP had determined the liquidation value as ₹4.86 crores and subsequent thereto, on 30.12.2018, basing on the Information

Memorandum prepared by the RP, the RP published invitation for Expression of Interest (EOI) in the newspapers "Indian Express" & "Dinamani". In pursuance thereof, the RP received response form three prospective resolution applicants, but whereas only one of them, namely Mr. V. Stalin placed the Resolution Plan with a conditional offer, which was rejected in the 5th meeting of the CoC on the ground the proposed plan was subjected to conditions. Thereafter, as no other Resolution Applicant came forward with Resolution Plan till the last date i.e., 06.03.2019, the CoC, in the 6th meeting i.e., on 03.06.2019, passed resolution suggesting for liquidation with appointment of the Applicant as Liquidator of the Corporate Debtor.

3. Looking at the facts available before this Bench, we are of the view that the CoC put all efforts to try for rearrangement, when no Proper Resolution Plan has come before the CoC, it has passed a resolution suggesting for liquidation, which we believe that the CoC has rightly and timely passed Resolution suggesting for liquidation as

contemplated under the Code, therefore liquidation of the Corporate Debtor is hereby ordered with the following directions:


- a) This Bench hereby orders the Corporate Debtor to be liquidated in the manner as laid down in the Chapter by issuing a public notice stating that the Corporate Debtor is in liquidation with a direction to the liquidator to send this order to ROC with which this company has been registered.
- b) The Resolution professional viz Mr. Tharuvai Ramachandran Ravichandran is hereby appointed to act as Liquidator for the purpose of liquidation of the corporate debtor, therefore all powers of the board of directors, Key managerial personnel and partners of the Corporate Debtor, as the case may be, shall cease to have effect and shall be hereby vested in the liquidator. The Personnel of the Corporate Debtor are directed to extend all co-operations to the liquidator as may be required in managing the affairs of the Corporate Debtor. The Insolvency Professional appointed as liquidator will charge

fees for conduct of the liquidation proceedings in proportion to the value of the liquidation estate assets as specified under regulation 4 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and the same shall be paid to the Liquidator from the proceeds of the liquidation estate under section 53 of the Code.

- c) Since this liquidation order has been passed, no suit or other legal proceedings shall be instituted by or against the Corporate debtor without prior approval of this Adjudicating Authority save and except as mentioned in sub-section 6 of section 33 of the Code.
- d) This liquidation order shall be deemed to be notice of discharge to the officers, employees and workmen of the Corporate Debtor except to extent of the business of the Corporate Debtor is continued during the liquidation process by the by the Liquidator.

e) The liquidator is directed to carry the functions of the Liquidator as envisaged under the Insolvency and Bankruptcy Code, 2016 and also Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

4. Accordingly, this MA/588/2019 filed in CP/749/IB/CB/2018 is hereby allowed.


(S. VIJAYARAGHAVAN)
MEMBER (Technical)


(B. S.V. PRAKASH KUMAR)
MEMBER (Judicial)

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