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

IA/450/CHE/2021 in IBA/635/2019

(filed under Section 33 of the Insolvency and Bankruptcy Code, 2016)

In the matter of ***M/s. Nazar International Private Limited***

Ramachandran Subramanian

Resolution Professional of

M/s. Nazar International Private Limited

No.7 / A EK Guru Street,

Periamet, Chennai – 600 003

... Applicant /Resolution Professional

Order Pronounced on 20th July 2021

CORAM :

R. SUCHARITHA, MEMBER (JUDICIAL)

ANIL KUMAR B, MEMBER (TECHNICAL)

For Applicant : *S. Sathiyarayanan Advocate*

ORDER

Per: ANIL KUMAR B, MEMBER (TECHNICAL)

1. This is an application filed under Section 33(2) of the Insolvency and Bankruptcy Code 2016 (in short 'IBC, 2016') seeking relief as follows:

- (i) Pass an order of Liquidation of the Corporate Debtor viz. M/s. Nazar International Private Limited;
- (ii) Appoint Mr. Ramachandran Subramaniam (IBBI/IPA-001/IP-P01440/2018-2019/12316) as the Liquidator of the Corporate Debtor;

- (iii) Pass an order cessation of the moratorium declared under Section 14 of IBC; and
- (iv) Pass such other orders in the interest of justice;

2. In Section 7 application filed by the Financial Creditor against the Corporate Debtor viz., M/s. Nazar International Private Limited, this Tribunal vide order dated 13.12.2019 passed in IBA/635/2019 initiated the Corporate Insolvency Resolution Process (CIRP) in relation to the Corporate Debtor and appointed the Applicant herein as Interim Resolution Professional (IRP).

3. It is averred in the application that pursuant to the Applicant being appointed as IRP, he caused Public Announcement under Section 15 of IBC, 2016 in Form-A on 17.12.2019 in English in "Times of India" and in Tamil "The Hindu" and invited claims in accordance with the provisions of IBC, 2016. In pursuance of the same, it is seen that the Applicant has received claim only from the Financial Creditor who triggered the CIRP against the Corporate Debtor viz. M/s. United Bank of India for a sum of Rs.26,05,03,309/-. Accordingly, the CoC was constituted with the sole Financial Creditor with 100% voting share.



4. Thereafter, it is seen that the Commercial Tax Officer, Vepery submitted their claim belatedly for an amount of Rs.2,53,671/- towards the Applicant on 05.03.2020. Subsequent thereto, the Applicant prepared the Information Memorandum in accordance with the Balance Sheet of March 2019 and in the 3rd CoC meeting held on 18.03.2020, the CoC resolved to call for Expression of Interest and accordingly the Applicant caused public announcement in "The Hindu", Tamil and "Business Standard" English on 18.04.2020.

5. In pursuance to the EoI, one Mr. Mahavir Damani expressed interest in the Corporate Debtor, however due to Covid - 19 pandemic he was unable to proceed further. In the meantime, M/s. United Bank of India amalgamated with M/s. Punjab National Bank and thus M/s. Punjab National Bank became the sole Financial Creditor of the Corporate Debtor.

6. Thereafter, it is seen that the CoC in its 6th meeting held on 22.09.2020 resolved to once again call for Expression of Interest and accordingly the Applicant has made a Public announcement in "New India Express", English and "Dinamani", Tamil on 26.09.2020, however the said publication has resulted in any party evincing interest. While this being the fact, the CoC in its 8th meeting held on



31.03.2021 had resolved to liquidate the Corporate Debtor and directed the Applicant to file an Application for Liquidation as per Section 33(2) of IBC, 2016 and accordingly, the present Application has been filed by the Applicant.

7. The Applicant has filed Form – H from which it is evident that the Fair value and Liquidation value in respect of the assets of the Corporate Debtor is arrived at Rs. 6.35 Crore and Rs.5.50 Crore. Since the CoC in its 8th meeting held on 31.03.2021 after discussing and deliberating about the current affairs of the Corporate Debtor by taking into consideration that there was no EoI being received from any prospective Resolution Applicant, even after the same was issued twice and also keeping in view of the fact that the Corporate Debtor is not running its business and based on its commercial wisdom has decided to liquidate the Corporate Debtor. Thus, by taking into consideration the provisions of Section 33 of IBC, 2016 and in the absence of any opposition to the Application from the Promoters of the Corporate Debtor and also guided by the decision of the Hon'ble Supreme Court in the matter of **Mr. K. Sasidharan –Vs– Indian Overseas Bank (2019) SCC OnLine SC 257** this Tribunal orders for the liquidation of the Corporate Debtor.



8. It is also seen from the records that the Applicant herein has accorded his written consent in Form AA to act as the Liquidator of the Corporate Debtor.

9. In the circumstances, **Mr. Ramachandran Subramaniam** (IBBI/IPA-001/IP-P01440/2018-2019/12316) 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 upto date enjoined upon her.
- 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 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 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., company-in-liquidation.

10. The application IA/450/CHE/2021 stands **allowed** with the aforesaid terms.

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(ANIL KUMAR B)
MEMBER (TECHNICAL)

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(R. SUCHARITHA)
MEMBER (JUDICIAL)

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