

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, CHENNAI

MA/1399/2019
IN
CP/1087/IB/2018

Application filed under section 33(2) of the IBC, 2016

In the matter of Sapphire Spinners India Private Limited

G. Gunasekaran ...Applicant
Resolution Professional
Representing Corporate Debtor
(Sapphire Spinners India Private Limited)

Order delivered on: 19.12.2019

CORAM:

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

Counsel for the Applicant: *Shri. G. Gunasekaran, RP*

ORDER

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

Heard and dictated in Open Court on: 16.12.2019

It is an MA filed u/s 33(2) of the Insolvency & Bankruptcy Code, 2016 ("the Code") by the Resolution Professional (in Short "RP") seeking for order of liquidation based on the resolution passed by CoC held on 16.10.2019 on the ground that there is no chance for revival of the company.

2. On the perusal of this application, we have come across that this Company Petition (CP/1087/IB/2018) was admitted on 25.01.2019, thereafter IRP collated the claims and subsequent thereto constituted CoC. On constitution of CoC, the Interim Resolution Professional also appointed two Valuers to determine the liquidation value of the company, over which, the Interim Resolution Professional, taking the aggregate of the liquidation value of the Corporate Debtor, determined the liquidation value as ₹ 5.3Crores. In the meetings subsequently held by CoC, since it has come to a conclusion that there is no chance of revival of this company because the company was closed long before in the month of August 2015, CoC unanimously passed a resolution on 16.10.2019 for filing an application for order of liquidation. In pursuance thereof, since we are satisfied with the ground saying that there is no chance for revival of the company, we hereby order for liquidation of the company with the directions as follows:

- 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 G. Gunasekaran 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 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.

3. The Registry is hereby directed to immediately communicate this order to the Liquidator, the Corporate Debtor and the IBBI & Concern ROC by way of E-Mail.

4. Accordingly, this MA/1399/2019 filed in CP/1087/IB/2018 is hereby allowed.

-Sd-
(S. VIJAYARAGHAVAN)
Member (Technical)

-Sd-
(B. S.V. PRAKASH KUMAR)
Member (Judicial)

KNP/TJS