

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

IA(IBC)/274(CHE)/2023

In

CP(IB)/84(CHE)/2021

(filed under Section 33(2) of the Insolvency Bankruptcy Code, 2016)

In the matter of J R FOODS LIMITED

Ms. SANTHANAM RAJASHREE

Resolution Professional of,

J R Foods Limited

Having Office at,

23, Lake Area 3rd Cross Street,

Nungambakkam,

Chennai 600 034.

... Applicant

Order Pronounced on 11th April 2023

CORAM

ASHOK KUMAR BHARDWAJ, MEMBER (JUDICIAL)

SAMEER KAKAR, MEMBER (TECHNICAL)

For Applicant: Mr. Ramasubramaniam Raja, Advocate

For Promotors: Mr. A.S. Sathish Kumar, PCS

ORDER

Per: ASHOK KUMAR BHARDWAJ, MEMBER (JUDICIAL)

This application is filed by **SANTHANAM RAJSHREE**, Resolution Professional, of **J R FOODS LIMITED** (Corporate Debtor) under Section 33(2) of the Insolvency Bankruptcy Code, 2016 seeking the following reliefs,

- a) *Pass appropriate order that the Corporate Debtor i.e., JR Foods Ltd. Be liquidated in the manner as laid down under the Code.*

b) Appoint the Applicant as the Liquidator of the Corporate Debtor.

c) Pass any other order that this Tribunal deems fit.

2. As submitted CIRP in respect of Corporate Debtor was initiated by this Adjudicating Authority vide order 11.02.2022 and Mr. B. Ramanakumar was appointed as the Interim Resolution Professional (IRP).

3. Pursuant to that the IRP made requisite publication in Form-A. Subsequently, CoC was constituted with the sole financial creditor viz., Bank of Baroda.

4. In the 1st meeting of the CoC, held on 11.03.2022 the CoC appointed the Applicant as Resolution Professional (RP) and the same was approved by this Adjudicating Authority vide order dated 02.11.2022.

5. In the 2nd meeting of the CoC conducted on 10.06.2022, the CoC was reconstituted by including Bajaj Financial Ltd and the IRP published Form-G on 11.06.2022. Further, in the 3rd CoC meeting held on 05.08.2022, the CoC was reconstituted by adding HDFC Bank. In addition to that the Commercial Tax Officer was included in the CoC in the 4th CoC meeting held on 22.09.2022. Meanwhile, this Adjudicating Authority extended the CIRP period till 25.11.2022 vide order dated 12.09.2022 passed in IA/957/2022.

6. It was further submitted that in terms of the Resolution passed in 4th meeting of CoC, the RP published 2nd Form-G on 09.10.2022. In turn, the Corporate Debtor received EoI from certain Prospective Resolution Applicants (PRA) viz. (1) Mohan Reddy, (2) Nakshatra Corporates Advisors Limited, (3) Saravana Global Holdings Ltd., (4) Senthil Ramasamy.

7. In the meeting of the 6th CoC Request for a Resolution Plan (RFRP) was issued to all PRAs. Meanwhile, the CIRP period was further extended by this Adjudicating Authority till 23.01.2023.

8. On 23.12.2022, three PRAs (1) Mohan Reddy, (2) Nakshatra Corporates Advisors Limited, and (3) Saravana Global Holdings Ltd., submitted their Resolution Plan. The RP placed the said plans before the CoC in its 9th meeting wherein the CoC suggested certain corrections in the plans.

9. In the 12th and 13th meetings of the CoC the PRAs were given time to improvise their Resolution Plan in consonance with the IBC, 2016. In its 14th meeting, the CoC after discussing all the Resolution Plans resolved to liquidate the Corporate Debtor and to appoint the Applicant as Liquidator. The relevant excerpt of the minutes of the 14th meeting of the CoC and voting is reproduced hereinbelow:

09	<p>To approve the liquidation of the Corporate Debtor in accordance with the provisions of 33(2) of IBC, 2016</p> <p>As no resolution plan has been approved by the CoC, as per the terms of IBC, 2016 read with regulations, it is resolved that the Company be liquidated in accordance with provisions of 33(2) of IBC, 2016 and the Resolution Professional, Mrs Santhanam Rajashree be and is hereby authorized to sign and file necessary application before NCLT, Chennai Bench.</p>	Voted in Favour	—
10	<p>To appoint a Liquidator</p> <p>RESOLVED THAT Mrs Santhanam Rajashree, Resolution Professional of M/s J.R. Foods Limited whose consent has been received to act as Liquidator of M/s J.R. Foods Limited be and is hereby appointed as the Liquidator.</p>	Voted in Favour	—

The following resolution is put for Email voting :

<p>As no resolution plan has been approved by the CoC as per the terms of IBC, 2016 read with regulations, it is resolved that the Company be liquidated in accordance with provisions of 33(2) of IBC, 2016 and the Resolution Professional, Mrs Santhanam Rajashree be and is hereby authorized to sign and file necessary application before NCLT, Chennai Bench.</p>
<p>Voting Result :</p> <p>Voted for : 99.21% (Bank of Baroda)</p> <p>Voted against : Nil</p> <p>Abstained : 0.79% (HDFC Bank Limited 0.34%, Bajaj Finance Limited 0.45%)</p> <p>The Resolution is passed with the requisite majority</p>

A perusal of the above clarifies that the CoC members having 99.21 voting rights has decided to liquidate the Corporate Debtor and to appoint the Applicant herein as the Liquidator.

10. It is seen that the Applicant/RP has submitted FORM-H as per Regulation 39 (4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016 and the same is placed at page nos. 140-143 and the Applicant/RP has accorded the written consent in Form AA to act as the Liquidator of the Corporate

Debtor. Further, the Applicant's AFA having validity till 01.12.2023 is also placed on record.

11. Since the CoC with requisite majority has resolved to liquidate the Corporate Debtor and the CIRP period expired on 23.01.2023, this Adjudicating Authority is left with no option but to liquidate the Corporate Debtor. Accordingly, we appoint **Ms. Santhanam Rajashree** with **Reg. No: [IBBI/IPA-002/IP-N00330/2017-2018/10935]** (**e-mail ID: rajashrees66@gmail.com**) based on the latest list furnished by the Insolvency and Bankruptcy Board of India applicable for the period between January 2023- June 2023, 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 extent 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. The financial affairs of the Corporate Debtor shall also be investigated 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.

- d) The Registry is directed to communicate this order to the Registrar of Companies, Chennai and 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 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.
- i) Copy of this order be sent to the Financial creditors, Corporate Debtor and the Liquidator for taking necessary steps qua the Liquidation process of the Corporate Debtor, viz., company-in-liquidation.

j) The Liquidator appointed as above may take steps to sell the Corporate Debtor as a Going Concern.

12. With the above directions, this IA(IBC)/274(CHE)/2023 stands **allowed** and **disposed of**.



- Sd -

SAMEER KAKAR
MEMBER (TECHNICAL)



- Sd -

ASHOK KUMAR BHARDWAJ
MEMBER (JUDICIAL)

Gopishankar.D

Order pronounced under Rule 151 of NCLT Rules 2016, by Hon'ble Technical Member Sameer Kakar on behalf of the Bench comprising of Ashok Kumar Bhardwaj, Member (Judicial) and Sameer Kakar, Member (Technical).