

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,

KOLKATA BENCH AT KOLKATA

COMPANY PETITION NO. 371/KB/2019

IN THE MATTER OF:

UNION BANK OF INDIA

..... FINANCIAL CREDITOR

AND

RAA INTERNATIONAL LIMITED

..... CORPORATE DEBTOR

**LIQUIDATOR'S REPORT ON CONSTITUTION OF STAKEHOLDERS
CONSULTATION COMMITTEE (SCC) OF RAA INTERNATIONAL LIMITED (CIN-
U72900WB2000PLC091121) - IN LIQUIDATION**

[As per Regulation 31A of Insolvency and Bankruptcy Board of India (Liquidation Process)
Regulations, 2016].

The liquidation process of RAA International Limited ("Corporate Debtor") under Chapter III of the Insolvency and Bankruptcy Code 2016 ("Code") commenced on 6th August, 2021 through Order of the Hon'ble National Company Law Tribunal, Kolkata Bench, Kolkata ("Hon'ble NCLT") and Mr. Partha Kamal Sen, the undersigned, was appointed as the Liquidator of the Corporate Debtor. The said order was communicated to the Liquidator on 7th August, 2021.

Subsequent to the liquidation commencement date, a Public Announcement was published in Financial Express (English) and Ek-Din (vernacular – Bengali) as per Regulation 12 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 ("IBBI Liquidation Process Regulations 2016") for inviting the claims from the Financial Creditors, Operational Creditors, Workmen and Employees and any other Stakeholders of RAA

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International Limited – now in Liquidation (“Company in liquidation”). The last date of receipt of such claims was 6th September, 2021.

The Liquidator received claims from 2 (Two) Financial Creditors and 1 (One) Operational Creditor. One operational creditor, though submitted claim during CIRP, did not submit claim despite e-mail reminder was sent to them.

During the process of verifications, certain clarifications / information / documents were sought from the stakeholders by emails and by phone calls. The claims of the stakeholders have been verified by the Liquidator by considering all the documents submitted for substantiating the claims as per Regulation 30 of the IBBI Liquidation Process Regulations, 2016.

In accordance with Regulation 31A of the IBBI Liquidation Process Regulations 2016, the Liquidator is required to constitute a stakeholders’ consultation committee (“SCC”) within sixty days from the Liquidation Commencement Date. The SCC is required to advise the Liquidator on the matters relating to (a) appointment sale of assets of the Corporate Debtor. The relevant provision has been reproduced below:-

“31A. Stakeholders’ consultation committee.

- (1) *The liquidator shall constitute a consultation committee within sixty days from the liquidation commencement date, based on the list of stakeholders prepared under regulation 31, to advise him on the matters relating to (a) appointment of professionals and their remuneration under Regulation 7; (b) sale under regulation 32 including manner of sale, pre-bid qualifications, reserve price amount earnest money deposit and marketing strategy.*
- (2) *composition of the consultation committee under sub-regulation (1) shall be as shown in the Table below:*

<i>Class of Stakeholders</i>	<i>Description</i>	<i>Number of Representatives</i>
<i>Secured Financial Creditors, who have relinquished their security interests under section 52</i>	<i>Where claims of such creditors admitted during the liquidation process is less than 50% of liquidation value</i>	<i>Number of creditors in the category, subject to a maximum of 2</i>
	<i>Where claims of such creditors admitted during the liquidation process is atleast 50% of liquidation value</i>	<i>Number of creditors in the category, subject to a maximum 4.</i>
<i>Unsecured Financial Creditors</i>	<i>Where claims of such creditors admitted during the liquidation process is less than 25% of liquidation value</i>	<i>Number of creditors in the category, subject to a maximum of 1</i>
	<i>Where claims of such creditors admitted during the</i>	<i>Number of creditors in the category, subject to a maximum of</i>

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	<i>liquidation process is atleast 25% of liquidation value</i>	2
<i>Workmen and employees</i>	1	1
<i>Governments</i>	1	1
<i>Operational Creditors other than Workmen, Emploees and Governments</i>	<i>Where claims of such creditors admitted during the liquidation process is less than 25% of liquidation value</i>	<i>Number of creditors in the category, subject to a maximum of 1</i>
	<i>Where claims of such creditors admitted during the liquidation process is atleast 25% of liquidation value</i>	<i>Number of creditors in the category, subject to a maximum of 2</i>
<i>Shareholders or partners, if any</i>		1

(3) The liquidator may facilitate the stakeholders of each class to nominate their representatives for inclusion in the consultation committee.

(4) If the stakeholders of any class fail to nominate their representatives, such representative shall be selected by a majority of voting share of the class, present and voting.

(5) Subject to the provisions of the Code and these regulations , representatives in the consultation committee shall have the access to all relevant records and information as may be required to provide advice to the liquidator under sub-regulation (1).

(6) The liquidator shall convene a meeting of the consultation committee when he considers it necessary and shall convene a meeting of the consultation committee when a request is received from at least fifty -one percent of representatives in the consultation committee.

(7) The liquidator shall chair the meeting of the consultation committee and record deliberations of the meeting.

(8) The liquidator shall place the recommendation of committee of creditors made under sub-regulation (1) of regulation 39C of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016, before the consultation committee for its information.

(9) The consultation committee shall advise the liquidator by vote of not less than sixty-six percent of the representatives of the consultation committee present and voting.

(10)The advice of the consultation shall not be binding on the liquidator.

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[PROVIDED that when the liquidator takes a decision different from the advice given by the consultation committee , he shall record the reasons for the same in writing and mention it in the next progress report].

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CONSTITUTION OF STAKEHOLDERS' CONSULTATION COMMITTEE

As per Regulation 31A of IBBI Liquidation Process Regulations 2016, the liquidator has formed the stakeholders' consultation committee (SCC) in the matter of RAA International Limited (CIN- U72900WB2000PLC091121) – in Liquidation, as below

Class of stakeholders	Member of stakeholders' consultation committee and amount of claim admitted amount (in Rupees)	
Secured financial creditors who have relinquished their security interests under section 52	Punjab National Bank	Rs.9,04,88,542/-
	Union Bank of India	Rs.5,41,56,100/-
Unsecured financial creditors	No claim received	-
Operational creditors other than workmen, employees and Governments	No claim received	-
Workmen and employees	No claim received	-
Government Authorities	Falta Special Economic Zone Authority , Govt. of India , Ministry of Commerce & Industry, Department of Commerce	Rs. 7,21,68,485/-
Shareholders or partners, if any	No claim received	-

The above mentioned members have been made a part of the Stakeholders' Consultation Committee by the Liquidator on the following basis:-

A. Secured Financial Creditors relinquishing property interest: - Two banks, viz., Union Bank of India and Punjab National Bank, secured financial creditors, have submitted their claims. Union Bank submitted a total claim for of Rs. 21,90,46,683/-. The total claim of Union Bank comprises Cash Credit A/c Rs. 16,48,90,583/- and Bill Purchase Account Rs. 5,41,56,100/-

. The claim was admitted. Later Union Bank wrote to the Liquidator that they will not relinquish

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their security interest to the liquidation estate in terms of Section 52 (1)(b) of IBC 2016 for the cash credit a/c. . As such they come under the category of “secured financial creditors relinquished security interest u/s 52 “ for their claim towards Bill Purchase Account only.

The total claim submitted by the Punjab National Bank was Rs.9,12,41,766/- towards loan account. The same was admitted for Rs. 9,04,88,542/-.

As per the Regulation 31A of IBBI Liquidation Process Regulations 2016, as the claim amount exceeds 50% of the liquidation value, both the secured financial creditors become the member of the Stakeholders’ Consultation Committee.

B. Unsecured Financial Creditor :- No claim received under this category. Therefore, there is no representative in SCC from this category.

C. Operational Creditor other than workmen, employees and Governments :- No claim received under this category. Therefore, there is no representative in SCC from this category.

D. Workmen and employees :- The company in liquidation has closed down its operation since 2016. As per Master Data Sheet from MCA site, the last Annual General Meeting of the company was held on 30/09/2016 and the last financials were filed for the financial year ended on 31/03/2016. The directors / promoters of the company are not traceable. Letters / email sent to them were returned either undelivered or not responded at all. Further the registered office and the manufacturing locations were put under lock and key, therefore no record of the company can be traceable. As such no record related to the workmen and employees are available. Again, no claim was filed by the workmen and employees. Therefore, there is no representative in SCC from workmen and employees.

E. Government :- Claim received from Falta Special Economic Zone Authority, Govt. of India, Ministry of Commerce & Industry, Department of Commerce. The Authority submitted their claim as the operational creditor for the outstanding lease rent and interest thereon for the land taken on lease by the company in liquidation and for the differential custom duty for the input / output proportion of imported fabrics brought in by the company in liquidation. The claim has been submitted as the operation creditor which has been admitted for Rs. 7,21,68,485/ - (claim submitted Rs. 7,29,26,738/-). The Authority has been made as a representative in SCC under the category of from Government.

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F. Shareholders of partners, if any:- The company in liquidation has closed down its operations in the year 2016 (as per the information received from MCA site the last Annual General Meeting was held on 30/09/2016 and the last financials were filed related to the financial year ended on 31/03/2016). The premises, viz. the Registered Office and the manufacturing unit are under lock and key. Also there were no traces of the directors and promoters. The letters / emails written to them by the liquidator either returned as undelivered or not responded at all. As such no information about the company in liquidation is available with the Liquidator. In view of this no shareholder / partner has been inducted as a member in the Stakeholders' Consultation Committee.

The Liquidator shall convene the meeting of the Stakeholders' Consultation Committee as and when considered, may be with shorter notice, or on receipt of request from atleast fifty-one percent of the representatives in the committee and the committee shall advise the Liquidator by a vote of not less than sixty-six percent of the representatives of the consultation committee present and voting. Therefore, the presence of all the members of the committee is requested in the meetings, as and when called.

The Liquidator may invites persons as special invitees for discussion only with no voting power, if the need arises, in the meetings conducted by him.

Date : 4th October, 2021

Place : Kolkata

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Partha Kamal  Liquidator

IBBI/IPA-002/IP-N00022/2016-17/10049

Liquidator in the matter of RAA International Limited