IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – II, CHENNAI
I.A (IBC) / 1112 (CHE) / 2023
In
MA/132/2018
In
TCP / 262 / IB / 2017

(Filed under Section 54(1) of the Insolvency and Bankruptcy Code, 2016 and Regulation 45 of the IBBI (Liquidation Process Regulations), 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016)

In the matter of **M/s. Lakshmi Apparels & Wovens Limited (IN LIQUIDATION)**

M. SURESH KUMAR
Liquidator of M/s. Lakshmi Apparels & Wovens Limited (In Liquidation),
(Regn. No. IBBI/IPA-001/IP-P00110/2017-18/10217)
SPP & Co, Nivedh Vikas, Pankaja Mill Road,
Puliyakulam, Coimbatore, Tamil Nadu – 641 045.

… Applicant / Liquidator

Order Pronounced on ***23rd February 2024***

CORAM

SHRI. JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)
SHRI. RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)
(Through Virtual Hearing)

Present: -

For Applicant : A.G. Sathyanarayana, Advocate

ORDER

The present Application has been filed under Section 54(1) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'Code') and Regulation 45(3) of IBBI (Liquidation Process Regulations), 2016 (hereinafter referred to as 'Regulations') r/w Rule 11 of NCLT Rules, 2016 (hereinafter referred to as 'Rules') by the Liquidator seeking an order of dissolution of **M/s. Lakshmi Apparels & Wovens Limited**, having CIN: U18101TZ1991PLC003195 and Registered office at No. 10/400, Palghat

Road, Kuniamuthur, Coimbatore, Tamil Nadu, India – 641 008 (hereinafter referred to as **'Corporate Debtor'**).

2. It is stated that CIRP in respect of the Corporate Debtor was initiated on 01.09.2017 in TCP/262/(IB)/CB/2017. Liquidation of the Corporate Debtor was ordered by this Tribunal vide order dated 22.06.2018 in MA/132/IB/2018 in TCP/262/(IB)/CB/2017 and the Applicant herein was appointed as the Liquidator.

3. It is stated that pursuant to the Liquidation order the Applicant made a public announcement on 27.06.2018 in Daily Newspapers namely 'Times of India, Coimbatore Edition' (English) and 'Hindu Tamil Thisai' (Tamil). The last date for submission of the claim before the Applicant was fixed as 21.07.2018.

4. It is stated that the Applicant had received three claims. The details of the claims received and admitted are as follows:

S.No	Name of Stakeholders	Amount Claimed (In Rs.)	Amount Admitted (In Rs.)
	Secured Financial Creditor		
1.	IDBI	12,94,39,838	12,94,39,838
2.	J M Financial Asset Reconstruction Company Limited	1,47,99,01,310	1,47,99,01,310
	Total Secured Financial creditors	**1,60,93,41,148**	**1,60,93,41,148**
	Equity Shareholders		
1.	Mrs.R.Philomina Nancy and Mr.B.Rajkumar Daniel	3,000	3,000
	Total Equity Shareholders	**3,000**	**3,000**

5. It is stated that a Bank Account in the name of '**M/s. Lakshmi Apparels & Wovens Limited** – Liquidation Account' bearing A/c No.

1141102000007184 was opened on 03.08.2018 with IDBI Bank, RS Puram branch, Coimbatore – 641 002.

6. It is stated that as per Regulation 13 of the Liquidation Regulation, the Preliminary Report and the Asset memorandum was filed within 75 days from the Liquidation Commencement date on 03.09.2018.

7. In order to assess the value of assets (Land, Building and Plant & Machinery) of CD liquidator appointed two registered valuers on 24.07.2018.

8. As per Regulation 34, the Asset Memorandum which is filed shows the Liquidation value is valued around Rs.4,24,00,000 and Rs. 4,32,35,847 as follows,

The asset memorandum shall provide the following details in respect of each of the assets other than those referred to in sub-regulation (2)

Schedule No.	Particular of the Asset		Valuer 1 (In Rs.)	Valuer 2 (In Rs.)	Intended manner of sale in accordance with Regulation 32, and reasons for the same	The intended mode of sale and reasons for the same in accordance with Regulation 33	Expected amount of realization	Any other Information
	Description of Asset (Group of Asset)	Location	M/s. Er.Ravi Anand	M/s. Vaidyanathan				
	PLANT & MACHINERY							
1	Dyeing Building	Plot No. L-1, 5th Cross, SIPCOT Industrial Growth Centre, Perundurai, Erode District-[illegible]	Rs.7729000	Rs.7770000	Ist Priority : Sale of entire asset as a slump sale [Reason: the unit as a whole is expected to fetch better realisation than standalone asset sale, as all assets together have the potential of carrying out manufacturing operation]. IInd Priority : Sale of set of assets collectively [Set 1: Plant & Machinery, Set 2 : Land & Building] IIIrd Priority : Sale of assets on standalone basis	Public auction of assets (through e-auctioning process) [Reason : The company is not operational for more than a year and there is huge Gap between Liquidation value and Fair market value (on going concern basis). As liquidation value assessed by two valuers are much lower, it is insufficient to settle the claims of the creditors. We intend to make open e-auction wherein bidding is enabled to realise maximum possible value for the asset.]	Rs.4,28,17,923.50/- As the plant is not in operation for more than 4 year and there are lot of unutilised capacity in the market, there will be limited number of takers for the plant and hence there is lesser Chance of better realization than the liquidation value. Hence the average of the liquidation value is taken as the expected amount of realisation	
2	Laboratory							
3	Winding Section							
4	Office							
5	Boiler							
6	Generator							
7	Transformer							
	LAND AND BUILDING							
8	Land, Buildings & Amenities (At SIPCOT)	RS No: 62,63,71,72,178 and 179 Part, Plot No: L-1, SIPCOT Industrial Growth Centre- 5th Cross, NH-47, Coimbatore Main Road, Perundurai Area, Ingur Village Panchayat, Perundurai Taluk, Erode District-638052	21,400,000	22,000,000				
9	Land, Buildings & Amenities (At Par	SF No: 11/3A,11/3B,11/4,11/5,11/6, Kenathur Arasalam Road, Arasalam Area, Paruvai Village Panchayat, Palladam Taluk, Tirupur District- 641658	21,000,000	21,235,847				
	Total		42,400,000	43,235,847				

9. On 07.09.2023, the SCC in its meeting discussed and approved the Mode of sale, Fixation of Reserve Prize, EMD requirements, Payment Terms, other terms and conditions of sale in respect of assets forming part of the Liquidation estate.

10. Subsequently, applicant issued public sale notices on dailies namely Indian Express (English) and Dinamani (Tamil) dated 02.10.2018, 19.11.2018 and 09.10.2020. The assets were sold vide E-autions where M/s. Devi Thread Processors Pvt Ltd and Sri Ragavendra Real estate came out as successful bidder. Sale certificate to that effect was also issued after realizing the bid amount in complete. Details of sale are extracted as below,

S.No	E-Auction held on	Published on and in newspapers	E-auction details	Brief particulars
1.	1st E-auction 31/10/2018.	02/10/2018 in Dinamani and The new Indian Express.	E-auction held in 1 Lot: **Reserve Price :** **Lot 1:** Land and Building and Plant and Machinery situated at SIPCOT: **Rs.2,94,50,000/-** **[EMD was fixed as 10% of the reserve price]**	• 1st E-auction was unsuccessful as no bids were submitted.
2.	2nd E-auction 07/12/2018.	19/11/2018 in Dinamani and The new Indian Express.	E-auction held in 1 Lot: **Reserve Price :** **Lot 1:** Land and Building and Plant and Machinery situated at SIPCOT: **Rs.2,20,87,500/-** **[EMD was fixed as 10% of the reserve price]**	• Two bidders participated for the E-auction of the Plant and Machinery and land and Building. • Devi Thread Processors Pvt Ltd was declared as successful bidder for the sale price of Rs.2,25,87,500/- plus GST @ 18%. • EMD was refunded to the unsuccessful bidder Deiveegam Dyers. • On receipt of entire sale consideration, Sale certificate was issued on 29/12/2018 and amended on 26/09/2019. • Further, registration with the SRO was executed.
3.	3rd E-auction 09/09/2020.	09/10/2020 in Dinamani and The new Indian	E-auction held in 1 Lot: **Reserve Price :** **Lot 1:** Land and Building situated at Paruvai:	• The only bidder participated for the E-auction of the land and

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		Express.	**Rs.10,60,50,000/-** **[EMD was fixed as 10% of the reserve price]**	Building. • Sri.Raghavendra Real Estate was declared as successful bidder for the sale price of Rs.10,60,50,000/- • On receipt of entire sale consideration, Sale certificate was issued on 31/12/2020. • Further, registration with the SRO was executed.

11. It is stated that that total amount of Rs.13,03,68,568/- (Rupees thirteen crore three lakh sixty eight thousand five hundred and sixty eight only) has been realized through the liquidation process and same has been realized to the Stakeholders as per the provisions of the Code.

The details of realization has been extracted as below,

4) STATEMENT OF REALIZATION OF ASSETS OF THE COMPANY:

Sr. No.	Particulars	Amount (In Rs.)
1.	Sale Proceeds realized from sale of Plant & Machinery	7,013,684
2.	Sale Proceeds realized from sale of land & building at Paruvai village	10,60,50,000
3.	Sale Proceeds realized from sale of Land & Building -SIPCOT	16,643,700
4.	Amount Realised on Fixed Deposit & Interest Income	661,184
	Total	**13,03,68,568**

5) DISTRIBUTION OF REALIZED VALUE TO THE STAKEHOLDERS AS PER SECTION 53 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

Sr. No.	Particulars	Claims Admitted	Distribution to Stakeholders
1	**Amount Realized**		1303,68,568
2	**Distribution as per waterfall mechanism (Section 53 of the Code)**		
2.1	Insolvency Resolution Process Costs and Liquidation Process Cost as per **Annexure A**	129,70,657	129,70,657
	Paid in priority as per Section 36(4)(a)(iii)	-	-
2.2 (2)	Secured Financial Creditors Dues	16093,41,148	1173,97,911
	Sub-Total	16223,11,805	1303,68,568
2.3	Employee dues (up to 12 months)		
2.4	Unsecured Creditors due		
2.5	Statutory & Government Dues (Upto 24 Months)		
2.6	Any remaining debts & Dues		
2.7	Equity Shareholders	3000	-
	Total	**16223,14,804.68**	**1303,68,568**

12. It is also stated that no applications are pending before this Tribunal regarding PUFE transactions.

8. The details of application(s) filed / pending in respect of avoidance of transactions

Sl. No.	Type of Transaction	Date of Filing With AA	Date of Order of the AA	Brief of the Order
(1)	(2)	(3)	(4)	(5)
1	Preferential transactions under section 43	NIL		
2	Undervalued transactions under section 45			
3	Extortionate credit transactions under section 50			
4	Fraudulent transactions under section 66			

13. It is stated that the Liquidation process was not completed in actual timelines and process has been extended till 05.04.2023 vide Order dated 06.01.2022 in IA/914/IB/2020 in IA/132/IB/2018 in TCP/262/IB/CB/2017 and Order dated 29.11.2022 in IA(IBC)/1246(CHE)/2022 in TCP(IB)/262(CHE)2022 due to various reasons and circumstances. The entire timeline of the Liquidation Process of this CD is extracted as follows,

5. The Liquidation Process has been conducted as per the timeline indicated in regulation 47 as under:

Section of the Code/ Regulation No.	Description of Task	Timeline as per regulation 47	Actual Timeline
(1)	(2)	(3)	(4)
Section 33 and Section 34	Commencement of LCD and Appointment of Liquidator	22.06.2018	22.06.2018
Section33(1)(b)/ Reg.12 (1,2,3)	Public Announcement in Form B	27.06.2018	27.06.2018
Reg.35(2)	Appointment of Registered Valuers	29.06.2018	17.06.2019 18.06.2019
Section 38(1) and (5) Reg.17, 18 and 21A	Submission of claims Intimation of decision on relinquishment of security interest	22.07.2018	02.08.2018
Section 38 (5)	Withdrawal / Modification Of Claim	05.08.2018	Not Applicable
Reg.30	Verification Of Claims Received Under Regulation 12(2)(b)	21.08.2018	20.08.2018 (27th Aug 2018 intimation sent)
Reg.31A	Constitution Of SCC	21.08.2018	Not Applicable
Section 40(2)	Intimation about Decision Of Acceptance / Rejection Of Claim	28.08.2018	27.08.2018
Reg.31(2)	Filing The List Of Stakeholders	05.09.2018	03.09.2018
Section 42	Appeal by a Creditor Against the Decision Of The Liquidator	11.09.2018	Filed by JMFARC
Reg.13	Preliminary Report to The AA	05.09.2018	03.09.2018
Reg.34	Asset Memorandum	05.09.2018	03.09.2018
Reg.15(1),(2),(3), (4) and (5), and 36	Submission of Progress Report to AA; Asset Sale Report to be Enclosed With Every Progress Report, If Sales are Made	First Progress Report Q-2 Q-3 Q-4 FY: 1 Audited Accounts Of Liquidator's Receipt & Payments For the Financial Year	Refer Annexure-1-Table B

Reg. 37 (2,3)	Information To Secured Creditors	Not Applicable	Not Applicable
Reg.42(2)	Distribution Of the Proceeds to the Stakeholders	Within 3 Months from the receipt of amount	Refer Annexure 1- Table A – Note 2
Reg.10(1)	Application to AA For Disclaimer Of Onerous Property	22.12.2018	Not Applicable
Reg.10(3)	Notice to Persons Interested in the Onerous Property Or Contract	At least 7 days before making an application to AA for disclaimer disclosure.	Not Applicable
Reg. 44	Liquidation Of Corporate Debtor	22.06.2020 (without COVID exclusion)	Extension granted upto 05/04/2023
Reg.46	Deposit the amount of unclaimed dividends and undistributed proceeds	Not Applicable	Not Applicable
Sch-1 Sl. No 12	Time period to H1 bidder to provide balance sale consideration	Within 90 days of the date of invitation to provide the balance amount.	Complied by the Successful bidder

14. Further, it is stated that the receipts and payment of the Liquidator during the Liquidation process have also been audited.

15. Heard the submissions made by the Learned Counsel for the Applicant and perused the documents on record.

16. Section 54 of the IBC, 2016 provides as follows: -

"*Section 54*

(1) Where the assets of the corporate debtor have been completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate debtor.

(2) The Adjudicating Authority shall on application filed by the liquidator under sub-section (1) order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.

(3) A copy of an order under sub-section (2) shall within seven days from the date of such order, be forwarded to the authority with which the corporate debtor is registered."

Regulation 14 of the IBBI (Liquidation Process) Regulation 2016 reads as follows,

"*Regulation 14: Early dissolution.*

Any time after the preparation of the Preliminary Report, if it appears to the liquidator that-

(a) the realizable properties of the corporate debtor are insufficient to cover the cost of the liquidation process; and

(b) the affairs of the corporate debtor do not require any further investigation;

he may apply to the Adjudicating Authority for early dissolution of the corporate debtor and for necessary directions in respect of such dissolution."

Regulation 45 of the IBBI (Liquidation Process) Regulation 2016 reads as follows,

"*Regulation 45: Final report prior to dissolution.*

(1) When the corporate debtor is liquidated, the liquidator shall make an account of the liquidation, showing how it has been conducted and how the corporate debtor's assets have been liquidated.

(2) If the liquidation cost exceeds the estimated liquidation cost provided in the Preliminary Report, the liquidator shall explain the reasons for the same.

(3) The liquidator shall submit an application along with the final report and the compliance certificate in form H to the Adjudicating Authority for –

(a) closure of the liquidation process of the corporate debtor where the corporate debtor is sold as a going concern; or

(b) for the dissolution of the corporate debtor, in cases not covered under clause (a).

17. The amounts realized from the liquidation of the assets of the corporate debtor had been fully distributed. The IDBI Bank letter dated 21.11.2023, filed dated 21.11.2023, shows that the liquidation account of CD has been closed on 21.11.2023. The balance of the bank account was marked as zero balance as on 27.02.2023 and the same is extracted hereunder,

IDBI BANK

CIN : L65190MH2004GOI148838

To

Lakshmi Apparels and Wovens Limited
Plot No L 15TH Cross
Sipcot Industrial Growth Centre
Perundurai Erode - 638052

Date: 21-11-2023

Dear Sir/ Madam,

At the outset, our sincere thanks for letting us serve your banking requirements.

This letter is to inform account 114110200000 7184 opened under Current account with us since 03-08-2018 has been closed on 21-11-2023.

Request you to kindly contact the nearest branch for additional details.

We would consider it our privilege to continue banking relationships with you.

Assuring you of our best attention and services at all times,

Yours faithfully,

21/11/2023

शिवाजी गणेसन एम
SHIVAJI GANESAN M
प्रबंधक Manager
[illegible] EIN: 125182

Authorised Signatory

A/c. ID	1141102000007184	CCY/SOL ID	INR/1141
A/c. Name	LAKSHMI APPARELS AND WOVENS LIMITED - LIQUIDATION ACCOUNT		
General Ledger Subhead Code	10200	Balance	0.00 Cr
Opening Balance	0.00 Cr	Closing Balance	0.00 Cr
Float Balance	0.00 Cr	Funds in Clearing	0.00 Cr
Available Amt.	0.00 Cr	Effective Available Amt.	0.00 Cr
Customer Status	GEN GENERAL	A/c. Opening Date	03-08-2018
A/c. Status	A Active	A/c. Status Date	03-08-2018
Purge Date	02-08-2018		
Address	PLOT NO L 1 5TH CROSS SIPCOT INDUSTRIAL GROWTH CENTRE PERUNDURAI		
City	ERD ERODE	State	TN TAMIL NADU
Country	IN INDIA	Postal Code	638052
Phone Type		Telex No.	
Phone No.	7373052341		
Email ID Type			
Email ID	MSURESHKUMAR@ICAI.ORG		

General Ledger Date	Value Date	Instrument No.	Withdrawal Amt.	Deposit Amt.	Balance	Narrative
27-02-2023	27-02-2023		49.68 Dr		0.00 Cr	STATEMENT CHARGE
27-02-2023	27-02-2023		590.00 Dr		49.68 Cr	A/C CLOSE CHRG INCL. STAX
09-02-2023	09-02-2023	87371	89,000.00 Dr		639.68 Cr	SATHYANARAYANA A G
08-02-2023	08-02-2023	87370	1,12,710.00 Dr		89,639.68 Cr	PSP GLOBAL SERVICES
08-02-2023	08-02-2023	87368	8,97,900.00 Dr		2,02,349.68 Cr	DEVARAJ P
08-02-2023	08-02-2023	87369	33,800.00 Dr		11,00,249.68 Cr	ASWINI VIKRAM
08-02-2023	08-02-2023	87373	36,607.00 Dr		11,34,049.68 Cr	SPP AND CO
04-02-2023	04-02-2023	87372	42,000.00 Dr		11,70,656.68 Cr	PSP GLOBAL SERVCES P
07-12-2022	07-12-2022	87366	4,20,000.00 Dr		12,12,656.68 Cr	SATHYANARAYANA A G

18. The final report and the Compliance Certificate filed in Form-H by the Applicant shows the amount distributed under the liquidation process and same is recorded as follows,

3. The details of the assets as per Asset Memorandum and Final Sale Report are as under

Sl No.	Assets	Mode of Sale	Estimated Liquidation Value	Realisation Amount (Rs.)	Date of Transfer to Liquidation Account
(1)	(2)	(3)	(4)	(5)	(6)
1	Immovable properties of factory Land & Building situated at Paruvai, Palladam, Tirupur	E-Auction	10,60,50,000	10,60,50,000	Entire amount distributed to Stakeholders.
2	Land & Building and Plant & Machinery situated at Perundurai SIPCOT Industrial Estate	E-Auction	2,94,49,500	2,36,57,384*	
	Total (in Rs.)		**13,54,99,500**	**12,97,07,384**	

*Includes GST on Plant & Machinery of Rs. 10,69,884/-

4. (a) Liquidation value of the liquidation estate : **13,54,99,500/-**

(b) Amount realized from sale of liquidation estate: **12,97,07,384/-**
(incl. GST & delayed Interest)

(C)The amounts distributed to stakeholders as per section 52 or 53 of Code are as under:

(Amount in Rs. lakh)

Sl. No.	Stakeholders* under section 53(1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount Claimed (%)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Priority payment U/s 36(4)(a)(iii)		-	-	-	
2	(a): CIRP Costs	5.73	5.73	5.73	100%	
3	(a): Liquidation Costs	123.97	123.97	123.97	100%	
4	(b) (ii) :Debts owed to Secured Creditor in the event such secured creditor has relinquished security in the manner set out in Section 52	16093.41	16093.41	1173.97	7.29%	
5	(c): Any Remaining Debts and dues	0.03	0.03	-	-	
	Total	**16223.14**	**16223.14**	**1303.68**	**8.03%**	

TABLE A: Details regarding Sale of Assets of the Corporate Debtor M/s. Lakshmi Apparels and Wovens Ltd (Under Liquidation)

S.No	Asset & Successful Bidder Details	Fair Value	Liquidation Value	Amount Realised (Note 1)	Remarks
1	Immovable properties of factory Land and Building and Plant & Machinery at SIPCOT	588,99,000	294,49,500	236,57,384	1)Sold in 2nd E-Auction dated 07.12.2018. 2)Amount realised includes GST of Rs.10,69,884
2	Immovable properties of factory Land and Building at Paruvai Village	1514,50,000	1060,50,000	1060,50,000	1) Sold in 3rd E-Auction dated 09.10.2020
	Total (In Rs.)	2103,49,000.00	1354,99,500.00	1297,07,384.00	

Note 1: Amount realised

Asset No 1:

Date of realisation	Name of the Party	Amount(In Rs.)
07.12.2018	Devi Thread Processors (P) Ltd	35,00,000
04.12.2018	Devi Thread Processors (P) Ltd	22,10,000
27.12.2018	Devi Thread Processors (P) Ltd	179,47,384
	Total	236,57,384

Asset No 2:

07.10.2020	K R Jayaram	106,05,000
12.10.2020	K R Jayaram	80,00,000
12.10.2020	K R Jayaram	79,07,500
18.12.2020	K R Jayaram	200,00,000
22.12.2020	K R Jayaram	200,00,000
23.12.2020	K R Jayaram	200,00,000
24.12.2020	K R Jayaram	100,00,000
31.12.2020	K R Jayaram	95,37,500
	TOTAL	1060,50,000

Note 2: Amount Distribution to the Stakeholders

Date of distribution	Party	Amount
16-02-2019	IDBI	175,00,000
22-01-2021	IDBI	333,44,995
01-03-2021	High Court of Madras (For JMFARC)	665,52,916
	Total(In Rs.)	1173,97,911

19. It is thus seen that the Corporate Debtor has been completely liquidated. In the above circumstances, this Tribunal finds it necessary to order for the dissolution of the Corporate Debtor as per Section 54 of the Code.

19. Accordingly, we order the dissolution of the Corporate Debtor viz., **M/s. Lakshmi Apparels & Wovens Limited**. The Liquidator is directed to forward a copy of this Order to the RoC concerned and also to the IBBI for its records and for updating the status of the Corporate Debtor on the 'MCA – Master data' within a period of 7 days from the date of this Order.

20. Accordingly **IA (IBC) / 1112 (CHE) / 2023** in **MA / 132 / 2018 in TCP/262/IB/2017** stands **allowed** and **disposed of**.

-Sd /-
RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

-Sd /-
JYOTHI KUMAR TRIPATHI
MEMBER (JUDICIAL)