

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

MA/856/2019 in CP/1279/IB/2018
filed under Section 33(2) of the
Insolvency and Bankruptcy Code, 2016

In the matter of M/s. Flora Footwear Private Limited

Mr. Radhakrishnan Dharmarajan,
Resolution Professional

... Applicant

Order delivered on 3rd of September, 2019

CORAM :

CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)
ANIL KUMAR B, MEMBER (TECHNICAL)

For Resolution Professional : Mr. A.Rengarajan, PCS

ORDER

CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)

1. This relates to MA/856/2019 in CP/1279/IB/2018 that has been filed by Mr. Radhakrishnan Dharmarajan (hereinafter referred to as 'Resolution Professional') under Section 33(2) of the Insolvency and Bankruptcy Code, 2016.

2. The prayer made by the Applicant in the Application is to pass an order liquidating the Corporate Debtor viz., M/s. Flora Footwear Private Limited.
3. Originally CP/1279/IB/2018 filed under Section 9 of the I&B Code, 2016 by the Operational Creditors viz., Mr. D. Arasalingam & Anr., against the Corporate Debtor viz., M/s. Flora Footwear Private Limited, was admitted by this Authority vide Order dated 02.01.2019, the CIR Process was initiated against the Corporate Debtor and one Mr. Anandrajan Balaji was appointed as Interim Resolution Professional (IRP).
4. It is averred that pursuant to the Order of this Authority dated 02.01.2019 the IRP had taken over the management of the Corporate Debtor and had issued the Newspaper Publication dated 09.02.2019 in two edition one in English and another in vernacular as per Regulation 6 (1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Debtor) Regulations, 2016,

inviting the claims from the creditors. After verification of the claims received, the IRP constituted the Committee of Creditors (CoC).

5. In the 2nd CoC Meeting held on 23.05.2019, the CoC has appointed the Applicant viz., Mr. Radhakrishnan Dharmarajan as Resolution Professional replacing the Interim Resolution Professional.

6. It is stated that some of the other related group companies of the Corporate Debtor are under liquidation and the Corporate Debtor viz. M/s. Flora Footwear Private Limited is a Corporate Guarantor to another group company which is also under CIR Process. Thus, the CoC has considered that it may not be viable to get any Resolution Plan even if the "Expression of Interest" is called for and has decided that the valuation of the assets could be assessed post approval of liquidation order. Furthermore, the time period of 180 days of CIR Process got expired on 05.08.2019.

7. In the 3rd CoC Meeting held on 30.07.2019, the CoC considering the state of financials and other status of the Corporate Debtor has decided to liquidate the Corporate Debtor with 100% voting share. The Resolution passed by the CoC is as follows:

***“Resolved** that the RP to file a liquidation of the CD under Sec. 33(2) of the IBC and voted 100% of the voting powers of the Financial Creditors and further resolved that the RP to file an application for liquidation with the Adjudicating Authority.”*

8. Since no Resolution Plan is received by this Authority under Sub-section (6) of Section 30 of the I&B Code, 2016, before the expiry of the Corporate Insolvency Resolution Process period of 180 days, the Corporate Debtor viz., M/s. Flora Footwear Private Limited has to be ordered for Liquidation.

ORDER

9. In view of the facts and circumstances recorded by Resolution Professional in MA/856/2019 filed in CP/1279/IB/2018 and in exercise of powers conferred under Sub-Clauses (i) (ii) and (iii) of Clause (a) of Sub-Section (1) of Section 33 of the I&B Code, 2016, this Authority proceeds to pass Liquidation Order as follows:-

- I. This Authority hereby orders for liquidation of the Corporate Debtor viz., M/s. Flora Footwear Private Limited which shall be conducted in the manner as laid down in Chapter III of part II of the I&B Code, 2016;
- II. This Authority hereby appoints Mr. Radhakrishnan Dharmarajan as Company Liquidator as has been proposed by the CoC, who shall issue a public announcement stating therein that the Corporate Debtor is in liquidation;

- III. The moratorium declared under Section 14 of the I&B Code, 2016, shall cease to have effect from the date of the order of liquidation;
- IV. Subject to Section 52 of the I&B Code, 2016, no suit or other legal proceedings shall be instituted by/or against the Corporate Debtor. However, a suit and other legal proceedings may be instituted by the Liquidator, on behalf of the Corporate Debtor, with the prior approval of this Authority.
- V. This Authority makes it clear that Para (IV) hereinabove shall not apply to legal proceedings in relation to such transactions as notified by the Central Government in consultation with any financial sector regulator.

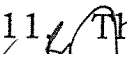


- VI. This Order shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor, except when the business of the Corporate Debtor is continued during the liquidation process by the Liquidator.
- VII. All the powers of the Board of Directors, Key Managerial Personnel and the Partners of the Corporate Debtor, as the case may be, shall cease to have effect and shall be vested with the Company Liquidator viz., Mr. Radhakrishnan Dharmarajan. In addition to this, the Company Liquidator shall exercise the powers and duties as enumerated in Sections 35 to 50, 52 to 54 of the I&B Code, 2016, r/w Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.



- VIII. The personnel of the Corporate Debtor shall extend all assistance and co-operation to the Liquidator as may be required by him in managing the affairs of the Corporate Debtor.
- IX. The Company Liquidator shall be entitled to charge such fees for the conduct of the liquidation proceedings and in such a proportion to the value of the liquidation estate assets as specified under Regulation 4 (2) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- X. The Registry is directed to communicate this order with immediate effect to the concerned Registrar of Companies, RD, OL, Registered Office of the Corporate Debtor and Company Liquidator viz., Mr. Radhakrishnan Dharmarajan, for information and compliance.

10. In terms of the above, MA/856/2019 filed in CP/1279/IB/2018 by the Resolution Professional under Section 33(2) of the I&B Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz., M/s. Flora Footwear Private Limited is **allowed**.

11.  The Order is pronounced in the open Court.

-SD-
ANIL KUMAR B
MEMBER (TECHNICAL)

-SD-
CH. MOHD. SHARIEF TARIQ
MEMBER (JUDICIAL)

P.ATHISTAMANI

