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NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH - I  
CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF CHENNAI BENCH, CHENNAI  
NATIONAL COMPANY LAW TRIBUNAL, HELD AT 2.00 PM ON 13-02-2020

PRESENT: SHRI R.VARADHARAJAN, MEMBER-JUDICIAL  
SHRI ANIL KUMAR B, MEMBER - TECHNICAL

APPLICATION NUMBER : MA/1192/2019 IN  
PETITION NUMBER : CP/1037/IB/2018  
NAME OF THE PETITIONER(S) : T.V BALASUBRAMANIAM (RP) (SHOLINGUR  
TEXTILES LTD)  
NAME OF THE RESPONDENT(S) :  
UNDER SECTION : SEC 33(2) & 34(1) OF IBC

S.No.	NAME (IN CAPITAL)	DESIGNATION	SIGNATURE
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1.	Ravi Raja Gopalan	Counsel for RP/Applicant	
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*Ravi*

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

**MA/1192/2019** in  
CP/1037/IB/2018 filed  
under Sections 33(2) &  
34(1) of the Insolvency  
and Bankruptcy Code,  
2016

In the matter of ***M/s. Sholingur Textiles Limited***

**T.V. BALASUBRMANIAN,**  
Resolution Professional of  
M/s. Sholingur Textiles Limited,  
KRD Gee Gee Crystal,  
No. 91-92, 7<sup>th</sup> Floor,  
Dr. R.K. Salai, Chennai-600 004

*... Applicant*

**CORAM :**

**R. VARADHARAJAN, MEMBER (JUDICIAL)**  
**ANIL KUMAR B, MEMBER (TECHNICAL)**

For Applicant : Ravi Rajagopalan, Counsel

**ORDER**

**Per: R. VARADHARAJAN, MEMBER (JUDICIAL)**

**Heard and dictated in open Court on 13.02.2020**

1. This is an Application moved by the Resolution Professional ("**RP**") under Section 33(2) & 34(1) of the Insolvency and Bankruptcy Code, 2016 ("**IBC, 2016**") seeking for the liquidation of the Corporate Debtor pursuant to the resolution passed by the CoC of the Corporate Debtor in its 8<sup>th</sup> meeting held on 16.10.2019, in view of the Corporate Debtor not eliciting



any Resolution Plan during the CIRP and also under the circumstances that 270 days had been expired from the date of the initiation of Corporate Insolvency Resolution Process ("**CIRP**"). Application in relation to compilation of CoC meetings has been filed by the RP disclosing that CIRP was initiated by this Tribunal on 04.02.2019 and the Interim Resolution Professional was also appointed. Pursuant to the public announcement calling for the claims which seems to have been made by the IRP on 09.02.2019 and upon receipt of claims, CoC seems to have been constituted. The 1<sup>st</sup> CoC meeting was held on 07.03.2019 and subsequently seven CoC meetings it is represented to have been held on the following dates :

2 <sup>nd</sup> CoC meeting	-	22.04.2019
3 <sup>rd</sup> CoC meeting	-	03.06.2019
4 <sup>th</sup> CoC meeting	-	19.07.2019
5 <sup>th</sup> CoC meeting	-	29.07.2019
6 <sup>th</sup> CoC meeting	-	09.09.2019
7 <sup>th</sup> CoC meeting	-	05.10.2019
8 <sup>th</sup> CoC meeting	-	16.10.2019

2. It is also evident that upon the approval of the CoC in relation to the appointment of registered Valuers, two Valuers seems to have been appointed as Valuers by the RP for the purpose of preparation of Information Memorandum and also for invitation of Expression of Interest ("EOI") and it has been noted that the same had been preferred by publication on 02.05.2019



and subsequently revised on 10.09.2019. Even though three EOIs were received from the prospective Resolution Applicants, however, no Resolution Plan was filed. In the circumstances, in the absence of Resolution Plan, this application has been filed.

3. From the application, it is evident that 180 days of CIRP expired on 03.08.2019 and the extended period of 90 days also expired on 01.11.2019. Counsel for the Applicant also represented that since the CIRP was initiated by this Tribunal, applications in MA/709/2019, MA/745/2019 and MA/800/2019 have been moved under Section 43 of IBC 2016 and the same is pending before this Tribunal. It is represented by the Counsel for the Applicant/RP that in the 8<sup>th</sup> CoC meeting seeking for liquidation of the Corporate Debtor as reflected at Page 20, it was also resolved that the present RP viz., Mr. T.V. Balasubramanian shall act as the Liquidator of the Corporate Debtor if appointed by this Tribunal. Counsel for the Applicant brings to the notice of this Tribunal that CoC has unanimously voted for the liquidation of the Corporate Debtor as well as for the appointment of RP as the Liquidator. Counsel for the Applicant also brings to the notice of this Tribunal that consent of the RP to act as the Liquidator has also been filed along with application as available at Page 26 to 27 of the typed set filed along with application. Keeping in mind the provisions of Section 33 of IBC, 2016 and as no Resolution Plan has been



received during the CIRP even after the expiry of 270 days from the date of initiation of CIRP and also taking into consideration the resolution for liquidation of the Corporate Debtor by the CoC which has unanimously voted for the Liquidation of the Corporate Debtor and in the circumstances, this Tribunal orders for liquidation of the Corporate Debtor as from this day. This Tribunal also appoints Mr. **T.V. Balasubramanian (Regn. No. IBBI/IPA-001/IP-P00198/2017-018/10388]** as the Liquidator to carry out the liquidation process of the Corporate Debtor subject to the following terms of the directions.

- a) The Liquidator shall strictly act in accordance with the provisions of IBC, 2016 and the attendant Rules and regulations including Insolvency and Bankruptcy (Liquidation Process) Regulations, 2017 as amended upto 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 suitable application before this Adjudicating Authority.

- d) The Registry is directed to communicate this order to the Registrar of Companies, Chennai and to 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 governs 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 that 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 is directed to investigate the financial affairs of the Corporate Debtor 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.

- i) 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 report as are required to be filed under the relevant Regulations, in addition, shall also be duly filed by him with this Adjudicating Authority.
- j) Copy of this order be sent to the Financial creditors, Corporate Debtor and the Liquidator for taking necessary steps and for extending the necessary co-operation in relation to the Liquidation process of the Corporate Debtor, viz., company-in-liquidation.

4. The application stands **disposed of** with the aforesaid terms.—

-SD-

**ANIL KUMAR B**  
MEMBER (TECHNICAL)

-SD-

**R. VARADHARAJAN**  
MEMBER (JUDICIAL)

vs



Certified to be True Copy

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*K. N. Sankar* 17/2/2020.

ASST. REGISTRAR / DEPUTY REGISTRAR  
NATIONAL COMPANY LAW TRIBUNAL  
CHENNAI BENCH  
CORPORATE BHAVAN, 2nd FLOOR,  
29, RAJAJI SALAI, CHENNAI - 600 001