

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

IA (IBC)/92 (CHE)/2023 in TCP/73/IB/2017

(Filed under Section 54 of the Insolvency and Bankruptcy Code, 2016)

In the matter of Nag Leathers Private Limited

C.Ramasubramaniam

Liquidator of Nag Leathers Private Limited
"Raji", 3B1, 3rd Floor, Gaiety Palace, No.1L,
Blackers Road, Mount Road,
Chennai – 600 002

... Applicant

Order Pronounced on 25th September 2023

CORAM

SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

For Applicant: S.Sathiyarayanan, Advocate
Pavithra Dayalan, Advocate

ORDER

(Hearing Conducted through VC)

Per: SANJIV JAIN, MEMBER (JUDICIAL)

This Application has been filed under Section 54 of the Insolvency and Bankruptcy Code, 2016 by the liquidator of the Corporate Debtor herein seeking for an order for Dissolution of the Corporate Debtor viz.,
NAG LEATHERS PRIVATE LIMITED.



2. It is stated that CIRP of the Corporate Debtor was initiated by this Tribunal vide order dated 10.07.2017 and the Applicant herein was appointed as Interim Resolution Professional (IRP) and thereafter as Resolution Professional (RP).

3. It is stated that the Liquidation of the Corporate Debtor was ordered by this Tribunal on 09.04.2018 in CA/72/2018 and the Applicant herein was appointed as the Liquidator.

4. Pursuant to the order of Liquidation, the Applicant caused the Public Announcement on 11.04.2018 in Form –B of Schedule II by inviting claims from all the stakeholders and fixed the last date for submission of claim as 08.05.2018.

5. ^{is} It stated that the Applicant received claims from the following stakeholders of the Corporate Debtor. The details of Claims submitted and claim admitted are given as under:

A. Financial Creditor:

S.NO	DETAILS OF STAKEHOLDERS	AMOUNT CLAIMED (IN RS)	AMOUNT OF CLAIM ADMITTED (IN RS)	NATURE OF CREDITOR
1	Dewan Housing Finance Corporation	1,18,62,152/-	1,18,62,152/-	Secured Financial Creditor



	Ltd, L.C. No.1014			
2	Dewan Housing Finance Corporation Ltd, L.C. No.1018	72,65,674/-	72,65,674/-	Secured Financial Creditor
3	Union Bank of India	24,28,61,843/-	24,28,61,843/-	Secured Financial Creditor
4	G.Muthusamy	1,38,25,000/-	1,38,25,000/-	Secured Financial Creditor
	Total	27,58,14,669/-	27,58,14,669/-	

B. Operational Creditors:

S.NO	DETAILS OF STAKEHOLDERS- OPERATIONAL CREDITORS	AMOUNT RECEIVED (IN RS)	CLAIMS ADMITTED (IN RS)
1	S P Leather Tech Pvt Ltd	19,15,440	19,15,440
2	Magamayee Image	54,787	54,787
3	Magamayee Fibre	3,88,871	3,88,871
4	Srinala Leathers India Pvt Ltd	1,21,60,971	1,21,60,971
5	Hariram Chemicals	44,24,806	44,24,806
6	Bhansali Chemicals (Madras Limited)	3,11,25,068	3,11,25,068
7	Pavisol Traders	1,54,087	1,54,087
8	Nikhi Chemicals	56,70,949	56,70,949
9	Tata Chemical Corporation Pvt Ltd	3,39,16,180	3,39,16,180
10	Dynamic Marketing	1,03,42,709	1,03,42,709
11	KannaChemie Private Limited	44,14,072	44,14,072
12	Ranipet Sidco Finished Leather Effluent Treatment Company Limited	26,38,145	26,38,145
13	Rasi Enterrises	3,90,836	3,90,836
14	Swastika Inc	55,38,047	55,38,047
15	TMS Leathers	84,96,539	84,96,539
16	Pallave Leathers	53,70,334	53,70,334
17	Sunshine Corporation	77,31,715	77,31,715
18	A.D.R.K Organization	14,85,149	14,85,149
19	Rajeshwari Saw Mill	12,23,622	12,23,622
20	Ashraf Leathers	25,25,442	25,25,442
	Total	13,99,67,969	13,99,67,969



6. It is stated that the Creditors relinquished their right over the property under Section 52(1)(a) of IBC, 2016. Further, a Bank Account in the name of 'Nag Leathers Pvt Ltd - In liquidation' bearing Account No 506801010033257 was opened on 07.05.2018 with Union Bank of India - Overseas Branch. All the receipts and payments of the Corporate Debtor under liquidation have been routed through this account.

7. It is stated that assets of the Corporate Debtor comprised of Land & Buildings and Plant and machinery. The liquidation estate under section 36 of the IBC 2016 was formed with all the assets including assets relinquished by the Financial Creditor.

8. It is stated that the Applicant/ Liquidator as per the mandate of the Code appointed two registered valuers on 08.06.2018 who carried out valuation of the assets of the Corporate Debtor. The average Liquidation value of the assets of the Corporate Debtor is Rs. 7,03,56,000/-.

9. It is stated that the Applicant/ Liquidator conducted three e-auctions for selling the assets of the Corporate Debtor. The details of the E-auctions conducted by the Applicant are as follows:

S. V. Venkatesh

[Signature]



E-Auction No.	Date of E-Auction	Type of Asset	Reserve Price	Date of publish e-auction	Paper Publication effected in
First E-Auction	30-08-2018	Land & Building and Plant and machineries	7,23,50,000/-	27-07-2018	Indian Express - English
		Land & Building on stand-alone bases	4,99,00,000/-		Dinamani - Tamil
		Plant & Machinery on stand-alone basis	2,24,50,000/-		Financial Express - English
Second E-Auction	17-10-2018	Land & Building and Plant and machineries	6,51,15,000/-	28.09.2018	Indian Express - English
		Land & Building on stand-alone bases	4,49,10,000/-		Dinamani - Tamil
		Plant & Machinery on stand-alone basis	2,02,05,000/-		Financial Express - English
Third E-Auction	01-12-2018	Land & Building and Plant and machineries	6,10,00,000/-	13-11-2018	Indian Express - English
		Land & Building on stand-alone bases	4,10,00,000/-		Dinamani - Tamil
		Plant & Machinery on stand-alone basis	1,70,00,000/-		

10. It is stated that the 3rd e-auction held on 01.12.2018 conducted by the Applicant/Liquidator was successful and M/s. Star Exports emerged as the successful bidder and an amount of Rs. 6,10,00,000/- was realised. The assets of the Corporate Debtor were sold on slump sale basis.

S. V. K. S.

S. V. K. S.



11. The details of the relevant compliances as mandated under Section 54 of the IBC, 2016 read with the IBBI (Liquidation Process)

Regulations, 2016 are listed hereunder:-

S. No	COMPLIANCE	AVERMENTS	PAGE NO. IN THE APPLICATION
1	Regulation 12	Public Announcement in Form B in Indian Express and Dinamani dated 11.04.2018	28-29
2	Regulation 35(2)	Appointment of Registered Valuers where no valuation conducted during CIRP	Para 8 of the application & Page No.4 & 41
3	Regulation 31(2)	List of Stakeholders within 45 days of the Liquidation Commencement Date	35-39
4	Regulation 31A	Constitution of Stakeholders Consultation Committee (SCC)	N/A
5	Regulation 13	Preliminary Report dated 21.06.2018	30-39
6	Regulation 34	Preparation of Asset Memorandum within Seventy-Five days from LCD dated 21.06.2018	40-44
7	Regulation 41	Opening of Bank Account in the name of the company in Liquidation in "Union Bank of India"	150-157
8		Proof of Closure of the above Bank Account and other account in the name of the Company	N/A
9	Regulation 15	Quarterly Progress Reports and proof of filing the same before this Tribunal	Para 17 of the Application and Page Nos.45 -149
10	Regulation 36	Asset Sale Reports after sale of Reports	69-70
11	Regulation 42(2)	Proof of Distribution within Ninety days from the receipt of realization	152
12	Regulation 45 (3)	Final report dated 01.12.2022	Page Nos.158 & 164-170
13	Regulation 5 (1) (e)	Compilation of Minutes of SCC	N/A
14	Regulation 15	Audited Accounts of receipts and Payments	159-163
15	Regulation 37	Completion of Liquidation Process within one year from Liquidation Commencement Date or extension if any, date of the order & period	N/A
16		Form-H –Compliance Certificate	Filed as a separate Typeset dated 14.07.2023 vide S.R.No.2937

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12. It is stated that the Corporate Debtor did not have any business activities at the time of commencement of liquidation and further there were no employees and the unit remained as a closed unit.

13. We have heard Ld. Counsel for the Applicant and perused the report and synopsis filed by the Liquidator.

14. It is stated that no applications are pending before this Tribunal for avoidance of Preferential, Undervalued or Fraudulent Transactions. The Applicant had initially filed IA/1336/IB/2020 under Section 66 of the code. However, the same was dismissed as withdrawn on 20.10.2022.

15. The liquidator has filed the synopsis showing the realization and the distribution which are reproduced as under:

18. REALISATION:

S. No.	Assets	Mode of Sale	Estimated Liquidation Value (Rs.)	Realisation Amount (Rs.)	Date of Transfer to Liquidation Account
(1)	(2)	(3)	(4)	(5)	(6)
1	Immovable Properties of Factory Land & Building situated at Plot No 48(Part) Survey No 216(Part) Narasingapuram Village, Ranipet, Wallajah Taluk, Vellore - 632 403 along with 18 shops and Plant & Machineries and other Movable Assets	Through e-auction	7,03,56,000 /-	6,10,00,000 /-	03.12.2018 And 31.12.2018

S. V. Srinivasan

[Signature]



19. DISTRIBUTION:

Sl. No.	Stakeholders* under section 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount	Remarks
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(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	(a) CIRP Costs			30,40,623/-*		
2	(a) Liquidation Costs			69,20,377/-**		
3	(b)(i) Workmen	-	-	-	-	
4	(b)(ii) Secured Financial Creditor	24,28,61,843	24,28,61,843	5,40,00,000/-	22.23%	Union Bank of India
5	(c) wages and any unpaid dues owed to employees					
6	(d) Operational Creditor	24,18,16,672	13,99,67,769	-		Out of total claim of Rs. 24,18,16,672/- received, defective claims of stakeholders for resubmission amounts to Rs. 10,18,48,903/-
7	(e)(i) Statutory dues	-	-	-	-	
8	(e) (ii) Debt owed to secured creditor	1,91,27,826	1,91,27,826	-	-	The loan is secured by mortgage of personal property by the promoter
9	(f) Remaining dues	1,38,25,000	1,38,25,000	-	-	
10	(g) Preference Shareholders	-	-	-	-	
11	(h) Equity shareholders	-	-	-	-	
TOTAL		51,76,31,341	41,57,82,438	5,39,61,000/-		

Note:

*CIRP Cost include repayment of CIRP cost reimbursed to financial creditor and operational creditor.

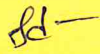
** Liquidation cost including TDS and GST paid.

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16. From the averments made in the Application along with the perusal of the final report and the Compliance Certificate filed in Form-H by the Applicant, it is seen that the Corporate Debtor has been completely liquidated. In the circumstances as averred and as prayed for by the Applicant, an order for dissolution is required to be passed by this Tribunal under Section 54 of the IBC, 2016. Accordingly, we hereby order for the dissolution of the Corporate Debtor viz., *Nag Leathers Private Limited*. The Liquidator is directed to forward the copy of this Order to the RoC concerned and also to the IBBI for its records within a period of 7 days from the date of this Order.

17. In terms of the above, this IA (IBC) 92/CHE/2023 stands **allowed** and TCP/73/IB/2017 also stands **disposed of**.



VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)



SANJIV JAIN
MEMBER (JUDICIAL)

SriramAnanth.V