

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

MA/1099/2019

IN

IBA/413/2019

Application filed under section 33(1)(A), 33(2) & 34(1) of the IBC, 2016

In the matter of M/s. R R Leather Products Private Limited

Mrs. Malathi Gopi

...Applicant

Resolution Professional

Representing Corporate Debtor

(M/s. R R Leather Products Private Limited)

Order delivered on: 22.10.2019

CORAM:

B.S.V PRAKASH KUMAR, MEMBER (JUDICIAL)

S. VIJAYARAGHAVAN, MEMBER (TECHNICAL)

For the Applicant: *Mrs. Malathi Gopi, PCS*

ORDER

Per: B.S.V PRAKASH KUMAR, MEMBER (JUDICIAL)

Heard and dictated in open court on 17.10.2019

It is an application filed u/s 33(1) of the Insolvency & Bankruptcy Code, 2016 ("the Code") by the Resolution Professional of M/s. R.R. Leather Products Private Limited seeking directions for liquidation of the Corporate Debtor company, based on the resolution passed by CoC in its 4th meeting held on 23.09.2019 with 100% voting approval and appointment of RP as Liquidator.

2. On perusal of this application, it appears that this IBA/413/2019 filed under Section 9 of the Insolvency & Bankruptcy Code was admitted on 09.04.2019 appointing Mrs. Malathi Gopi as IRP, in pursuance thereof, this IRP gave public announcement inviting claims against this Corporate Debtor. On receipt of claims from various creditors, this IRP, having collated the claims, constituted CoC with sole Financial Creditor namely, State Bank of India. In the 1st CoC meeting held on 10.05.2019, this IRP was confirmed as RP with 100% voting rights. This Applicant has further stated that on receipt of two Valuation Reports on the valuation of the Corporate Debtor, determined the liquidation value of the Company as ₹8.65 Crores, the RP since prepared Information Memorandum and subsequent thereto, invited Expression of Interest (EOI) inviting Resolution Plans. For the RP has not received any resolution even after issuance of invitation for EOI on 23.09.2019, CoC has passed a resolution with 100% voting for liquidation of this company.

3. In view thereof, this Applicant has filed this application before this Bench for approval of the proposal made by the CoC. In addition to it, the RP has stated that this Corporate Debtor is not a going-concern but it has assets i.e. plant and machinery along with land and building at Ambattur where this plant and machinery is situated.

4. For the RP has stated that the Company has been shut and CoC having passed a resolution proposing the liquidation of the Corporate Debtor, it is obvious that this Bench has to pass liquidation order as sought by the CoC. Before doing this exercise, if at all PF and Gratuity dues are payable to the EPF Authorities, the Liquidator shall pay those amounts to EPF Authorities forthwith and thereafter, determine the liquidation estate value.

5. On having the CoC passed a resolution approving the RP to continue as Liquidator, she will continue as the Liquidator of the Corporate from hereof.

6. In view of the above reasons, we hereby order for liquidation of the Corporate Debtor with directions as follows:

- a) This Bench hereby orders the Corporate Debtor to be liquidated in the manner as laid down in the Chapter by issuing a public notice stating that the Corporate Debtor is in liquidation with a direction to the liquidator to send this order to ROC with which this company has been registered.
- b) The Resolution professional viz Mrs. Malathi Gopi is hereby appointed to act as Liquidator for the purpose of liquidation of the corporate debtor, therefore all powers of the board of directors, Key managerial personnel and partners of the Corporate Debtor, as the case may be, shall cease to have effect and shall be hereby vested in the liquidator. The Personnel of the Corporate Debtor are directed to extend all co-operations to the liquidator as may be required in managing the affairs of the Corporate Debtor. The Insolvency Professional appointed as liquidator will charge fees for conduct of the liquidation proceedings in proportion to the value of the liquidation estate assets as

specified under regulation 4 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and the same shall be paid to the Liquidator from the proceeds of the liquidation estate under section 53 of the Code.

- c) Since this liquidation order has been passed, no suit or other legal proceedings shall be instituted by or against the Corporate debtor without prior approval of this Adjudicating Authority save and except as mentioned in sub-section 6 of section 33 of the Code.
- d) This liquidation order shall be deemed to be notice of discharge to the officers, employees and workmen of the Corporate Debtor except to extent of the business of the Corporate Debtor is continued during the liquidation process by the Liquidator.
- e) The liquidator is directed to carry the functions of the Liquidator as envisaged under the Insolvency and

Bankruptcy Code, 2016 and also Insolvency and Bankruptcy
Board of India (Liquidation Process) Regulations, 2016.

7. Accordingly, this MA/1099/2019 filed in IBA/413/2019 is
hereby allowed.

-Sd-
(S. VIJAYARAGHAVAN)
Member (Technical)

-Sd-
(B. S.V. PRAKASH KUMAR)
Member (Judicial)

VS/TJS