

305

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

IA (IBC)/1128 (CHE)/2023 in MA/396/2019 in CP/577/IB/CB/2018

*(Filed under Section 60(5) of IBC, 2016 read with Regulation 47A of the
Liquidation Process Regulation read with Rule 11 of the NCLT Rules, 2016)*

Along with

IA (IBC)/1602(CHE)/2022 in MA/396/2019 in CP/577/IB/CB/2018

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

In the matter of Aeon Paper Mills Private Limited

Muthuiah Thevar Rajapandian

Liquidator of Aeon Paper Mills Private Limited

3/158 Bharathiyar Street,

Indian Bank colony,

Narayanapuram,

Madurai , Tamilnadu – 625 014

... Applicant

Order Pronounced on 12th December 2023

CORAM

SANJIV JAIN, MEMBER (JUDICIAL)

VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

For Applicant: Muthuiah Thevar Rajapandian, in person

J.Pravin, Advocate

COMMON ORDER

(Hearing Conducted through VC)

IA/1128(CHE)/2023

IA/1128(CHE)/2023 is an application filed by the Liquidator

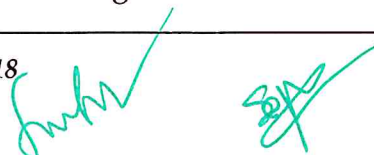
seeking the following reliefs:

- a) to pass an order for Condonation of delay of 757 days (20.05.2020 To 16.06.2023) for filing the present application for excluding the Covid-19 lockdown period imposed between 15.03.2020 to 02.10.2021 i.e. 566 days from the Liquidation Timeline;
- b) to pass an order by excluding the Covid-19 lockdown period imposed between 15.03.2020 to 02.10.2021 i.e. 566 days from the Liquidation Timeline;
- c) To pass such other orders or further orders which may deem to be fit and proper in the interest of justice.

2. It is stated that NCLT ordered for the liquidation of M/s. Aeon Paper Mills Private Ltd vide order dated 21.05.2019 and liquidator sold the various assets through e-auction.

3. It is stated that the delay in liquidation process was due to several reasons as under:

- a) Unsuccessful bidder filed a suit in IA 247/2020 and after several hearings it was dismissed by tribunal on 12.01.2021.
- b) Suspended director Mr. K B Barath Singh filed a suit in IA 1/CHE 2021 and 2/CHE 2021. After various hearings the applications were withdrawn on 29.09.2022.
- c) Exclusion of lockdown period under Regulation 47A is also applicable.



d) Liquidator was suffering from illness and was advised to take rest for 426 days from 01.05.2021.

4. The reasons stated by the Applicant appears to be plausible. Accordingly, IA(IBC)/1128/(CHE)/2023 stands **allowed**.

IA/1602(CHE)/2022

5. 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., *AEON PAPER MILLS PRIVATE LIMITED*.

6. It is stated that CIRP of the Corporate Debtor was initiated by this Tribunal vide order dated 10.07.2018 and one Mr. Manivannan J was appointed as Interim Resolution Professional (IRP). Thereafter the applicant namely Mr.Muthuiah Thevar Rajapandian was appointed as Resolution Professional (RP).

7. It is stated that the Liquidation of the Corporate Debtor was ordered by this Tribunal on 21.05.2019 in MA/396/2019 and the Applicant herein was appointed as the Liquidator.

8. Pursuant to the order of Liquidation, the Applicant caused the Public Announcement on 26.05.2019 in Form –B of Schedule II by inviting the claims from all the stakeholders and fixed the last date for submission of claim as 20.06.2019.

9. It is stated that the Applicant received claims from the following stakeholders of the Corporate Debtor. The details of Claims admitted are given as under:

SL NO	Name	Nature	Security	Amount Rs.
1	Canara Bank	Financial	Secured	33,68,42,820
2	Aparajith Singh K B	Financial	Unsecured	1,44,61,353
3	Balram Singh K B	Financial	Unsecured	1,60,19,733
4	Barath Singh K B	Financial	Unsecured	1,72,74,752
5	EPFO	Government	Unsecured	94,557

10. It is stated that the Liquidator verified and admitted the claims pursuant to which the list of stake holders was prepared. The list of stake

holders dated 08.12.2020 was filed before this Tribunal within the 45 days period stipulated under Regulation 31 (2).

11. It is stated that the Applicant collated the following list of assets which were to be liquidated as per the IBC, 2016.

a) **Details of assests:** The Company had Plant and Machinery and land and building as below.

S no	Particulars of the Property	Description of the Property	Reserve Price Rs.
1	Entire Landed Property (*Bid incremental Value: INR 10,000)	Item No.1: Land - Perumalpatti Village in Sankarankovil Taluk, Tirunelveli District:- This Landed property comprising of 5.93 acres at Punja Survey Nos. 200/1, 202/5,6 and 7, 214/3 and 4, Perumalpatti Village, Perumalpatti Panchayat, Sankarankovil Panchayat Union, Karivalamvanthanallur Sub Registrar Range, Sankarankovil Taluk, Tirunelveli District belongs to M/s Aeon Paper Mills Private Limited	18,91,000/-
2	Entire Land and Building, Plant & Machinery, Electrical Installations & Electrical Fittings (*Bid incremental Value: INR 1,00,000)	Item No.2: Land and Building & Plant and Machinery - Perumalpatti Village in Sankarankovil Taluk, Tirunelveli District:- The property is Industrial Land and building, Plant & Machineres, Electrical Installations and Electrical Fittings (Brown Kraft Paper manufacturing Unit) comprising of 6.935 acres situated at Survey Nos. 200/1, 202/1, and 202/2 Perumalpatti Village, Perumalpatti Panchayat, Sankarankovil Panchayat Union, Karivalamvanthanallur Sub Registrar Range, Sankarankovil Taluk, Tirunelveli District belongs to M/s Aeon Paper Mills Private Limited Extent of Land admeasuring 6.935 acres and building admeasuring approximately 60,246 sqft and all the Plant and Machineres and Electrical Installations and Electrical fittings situated there in.	5,03,54,000/-
3	Brown Kraft Paper Rolls (*Bid incremental Value: INR10,000)	Brown Kraft Paper Rolls were measured, counted and approximate Weight arrived =178.85 MT	20,16,300/-

12. It is stated that as per Regulation 35, registered valuers were appointed.

13. In the first e-auction conducted on 15.11.2019, no bidder participated in the e-auction. On 30.12.2019 second auction was conducted with 10% discount. Only 1 bidder participated for Item no 1 Land, the bid amount of Rs.18,91,000/- was received and the sale certificate was issued on 09.03.2021. On e-auction dated 20.02.2020, 2nd and 3rd property were sold for bid amount of Rs. 2,23,96,700/-. Unsuccessful bidder filed an application before the Tribunal and the application was dismissed on 12.01.2021. On the 4th e auction, industrial land and building were sold. This auction was challenged by suspended director in the tribunal and the application was withdrawn on 20.09.2022.

14. 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 26.05.2019	43-46
2	Regulation 35(2)	Appointment of Registered Valuers where no valuation conducted during CIRP	N/A
3	Regulation 31(2)	List of Stakeholders within 45 days of the Liquidation Commencement Date	47
4	Regulation 31A	Constitution of Stakeholders Consultation Committee (SCC)	N/A
5	Regulation 13	Preliminary Report dated 15.07.2019	140
6	Regulation 34	Preparation of Asset Memorandum dated 04.08.2019	140
7	Regulation 41	Opening of Bank Account in the name of the company in Liquidation in a Scheduled Bank	133
8		Proof of Closure of the above Bank Account and other account in the name of the Company	138
9	Regulation 15	Quarterly Progress Reports and proof of filing the same before this Tribunal	141
10	Regulation 36	Asset Sale Reports after sale of Reports	143
11	Regulation 42(2)	Proof of Distribution within Ninety days from the receipt of realization	133-138
12	Regulation 45 (3)	Final report dated 28.11.2022	17-32
13	Regulation 5 (1) (e)	Compilation of Minutes of SCC	N/A
14	Regulation 15	Audited Accounts of receipts and Payments	130-132
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	139-146

15. We have heard the Submissions of the Applicant and perused the report and synopsis filed by the Liquidator.

16. In the instant case, no applications are pending before this Tribunal relating to Avoidance, Preferential, Undervalued or Fraudulent Transactions.

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

i) Amounts realized:

Si No	Assets	Mode of Sale	Estimated Liquidation Value	Realisation amount (In Rs.)	Date of Transfer into Liquidation Account
(1)	(2)	(3)	(4)	(5)	(6)
1	Land	e-auction	21,01,000	18,91,000	14.01.2020
2	Land and Building	e-auction	230,82,365	223,96,700	25.05.2021
3	Plant and Machinery	e-auction	351,07,335	261,55,674	27.01.2021
Total			602,90,700	504,43,374	

ii) Distribution of amount amongst stakeholders



19. DISTRIBUTION:

Sl. No.	Stakeholders* under section 52 and 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount Claimed (%)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Realization of Security Interest					
2	Liquidation Cost [Sec. 53(1)(a)]			44,82,317		
3	Workmen's Dues [Sec. 53(1)(b)(i)]					
4	Debts of Secured Creditors [Sec. 53(1)(b)(ii)]	33,68,42,820	33,68,42,820	4,58,66,500	13.62	
5	Wages and Unpaid Dues to Employees [Sec. 53(1)(c)]					
6	Debts of Unsecured Financial Creditors [Sec. 53(1)(d)]					
7	Government Dues + Amount Unpaid	94,557	94,557	94,557	100	


	following Enforcement of Security Interest [Sec.53(1)(e)]					
8	Any remaining Debts and Dues [Sec. 53(1)(f)]					
9	Preference Shareholders [Sec. 53(1)(g)]					
10	Equity Shareholders [Sec.53(1)(h)]					
	Total	33,69,37,377	33,69,37,377	5,04,43,374		

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18. From the averments made in the Application along with the perusal of 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 order for the dissolution of the Corporate Debtor viz., *Aeon Paper Mills 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.

19. In terms of the above, this IA (IBC)/1602/CHE/2022 stands **allowed** and CP/577IB/2018 also stands **disposed of**.



VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)



SANJIV JAIN
MEMBER (JUDICIAL)