

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

IA(IBC)/18(CHE)/2024 in CP/1037/IB/2018

(Filed under Sec. 60(5) of the Insolvency & Bankruptcy Code, 2016)

IN THE MATTER OF:

T V Balasubramanian

Liquidator of

Sholingur Textiles Limited

KRD Gee Gee Crystal, No.91-92, 7th Floor,

Dr. R.K. Salai, Chennai – 600 004

... Applicant

Present:

For Applicant

: *Ravi Rajagopalan, Advocate*

CORAM

SANJIV JAIN, MEMBER (JUDICIAL)

VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

Order Pronounced on 25th January 2024

ORDER

(Heard through video conferencing)

The present Application has been filed by the Liquidator of the Corporate Debtor viz. M/s. Sholingur Textiles Limited under Regulation 45(3) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 read with Section 60(5) of IBC, 2016 seeking relief as follows;

- a. *Direct the closure of the Liquidation of the Corporate Debtor Sholingur Textiles Ltd consequent to the implementation of the Scheme of Compromise & Arrangement approved u/s 230-232 of CA 2013 read with Regulation 2B of the IBBI Liquidation Process Regulations*
- b. *Discharge the Applicant as the Liquidator duly taking on record the compliance made of Regulation 44A of the IBBI Liquidation Process Regulations 2016 by which the Stakeholders Consultation Committee / monitoring Committee has consented to the Corporate Debtor/Scheme Proponent to pursue the pending Avoidance Application proceeding pending in appeal on the file of the Hon'ble NCLAT Chennai Bench in Company Appeal (AT)(Chn)(Ins) No 318 of 2021 - Sitalakshmi Mills Vs Liquidator of Sholingur Textiles Ltd;*
- c. *Take on record the Final Report that has been submitted along with the present Application.*
- d. *Grant such other incidental or additional reliefs as may be deemed fit and proper in the facts and circumstances made out herein*

2. This Tribunal vide its order dated 13.02.2020 had ordered for Liquidation of the Corporate Debtor and appointed the Applicant herein as the Liquidator.

3. It is stated that the period of Liquidation was extended till 31.12.2023, as per the Orders of this Tribunal in IA(IBC)/1174(CHE)/2023 dated 28.07.2023.

4. It is stated that the Scheme approval process for the Company under Liquidation under Section 230-232 of the Companies Act, 2013 as contemplated under Regulation 2B of the IBBI (Liquidation Process) Regulations, 2016 commenced on 20.03.2020. The Scheme chosen by the Stakeholders after requisite approvals of this Tribunal has been implemented.

5. It is stated that the Successful Scheme Proponents have remitted the Scheme Settlement Amount in full as per the approved Scheme and the same has been distributed to the Creditors who had filed their claims.

6. It is stated that the undertaking of the Corporate Debtor, documents and assets of the Corporate Debtor have been handed over to the Successful Scheme Proponents. Further, the RoC has also reverted the status of the Company to "Active" consequent to the Scheme approval.

7. It is stated that since Company under Liquidation has been revived, the Applicant has filed the present Application for closure of

the Liquidation Process under Regulation 44(1) of IBBI (Liquidation Process) Regulations, 2016.

8. We have heard the submissions of the Learned Counsel for the Liquidator and perused the documents placed on record. The Liquidator has submitted his Final Report as per Regulation 45 of the IBBI (Liquidation Process) Regulations, 2016, which is appended as 'Annexure – 4' and Form H i.e., Compliance Certificate under Regulation 45(3) of the IBBI (Liquidation Process) Regulations, 2016, which is appended as 'Annexure – 5'.

9. Upon perusal of Form – H, it is seen that the RP had filed three cases relating to transfer of land in settlement of dues which were considered as preferential transactions by the Resolution Professional. These matters have been heard by this Tribunal and the final orders have been passed on all these three cases on 26.02.2021.

10. It is stated that two of the parties had filed an appeal before Hon'ble NCLAT against the above order which were also been heard

and disposed of vide order dated 27.08.2021. In respect of these two matters, further appeal was taken by the parties to Hon'ble Supreme Court, where also orders have been passed in favour of the Corporate Debtor.

11. The third party, viz. Sitalakshmi Mill aggrieved by the Order of this Tribunal in M.A 800/2019, has also approached Hon'ble NCLAT by filing an appeal - CA(AT)(Chn)(Ins) No 318 of 2021 which is pending before Hon'ble NCLAT Chennai Bench.

12. Since the Corporate Debtor is not dissolved, the successful Scheme proponent shall pursue the litigations filed by or against the Corporate Debtor before the forum.

13. It is seen that the Liquidator has distributed the sale consideration received as per the scheme stipulated under Section 53 of the Code.

14. In view of the aforesaid facts and circumstances, we **allow the closure of the Liquidation Process of the Corporate Debtor viz.**

Sholingur Textiles Limited

15. The Liquidator shall stand discharged from its responsibilities, subject to procedural compliances.

16. IA(IBC)18(CHE)/2024 stands **disposed of** accordingly.

17. The *Registry* is directed to email copies of the order forthwith to the Applicant, the Registrar of Companies, Chennai, and also to IBBI for information.

18. Certified Copy of this order may be issued, if applied for, upon compliance of all requisite formalities.

-Sd-

VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

-Sd-

SANJIV JAIN
MEMBER (JUDICIAL)

Raymond