



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

IA(IBC)/771(CHE)/2022

In

IBA/910/2019

(Filed under Section 54 of the Insolvency and Bankruptcy Code, 2016 r/w Regulation 37A and 44 of IBBI (Liquidation Process) Regulations, 2016 and Rule 11 of NCLT Rules, 2016)

In the matter of **TIRUPUR SRI SENTHIL COTTON MILLS LIMITED**

K.C. SENTHILKUMAR,
Liquidator of
Tirupur Sri Senthil Cotton Mills Limited,
27, 4th Street, Ramaiah Colony West,
Ram Nagar, Tirupur – 641 602.

... Applicant

Order Pronounced on **31st August 2023**

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)

SAMEER KAKAR, MEMBER (TECHNICAL)

Present: -

For Applicant : S.Sathyanarayanan, Advocate

ORDER

Per: SANJIV JAIN, MEMBER (JUDICIAL)

The present Application has been filed under Section 54 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'Code') r/w Regulation 37A and 44 of IBBI (Liquidation Process) Regulations, 2016 (hereinafter referred to as 'Liquidation Regulation') by the Liquidator seeking an order of dissolution of M/s. Boss Profiles Limited (hereinafter referred to as 'Corporate Debtor').





2. It is stated that CIRP in respect of the Corporate Debtor was initiated on 25.09.2019 in IBA/910/2019. Liquidation of the Corporate Debtor was ordered by this Tribunal vide order dated 29.05.2020 in MA/130/2020.

3. It is stated that pursuant to the Liquidation order, the Applicant made a public announcement on 01.06.2020 in the dailies 'The New Indian Express' (English) and 'Dinamani' (Tamil). The last date for submission of the claim before the Applicant was fixed as 29.06.2020.

4. It is stated that the Applicant had received two claims. The details of the claims received and admitted are as follows:

Name of the Creditor	Claim Amount in Rs.	Classification of Creditor	Admitted Claim amount in Rs.
Mr. CE.K. Thurraiswami	1,637,809/-	Unsecured Financial Creditors	1,637,809/-
the Assistant Commissioner (State Taxes) Rural 2 Assessment Circle, Commercial Taxes Dept, Tirupur	93,408/-	Sales Tax Dues (Govt dues)	93,408/-
The Income Tax Officer, Ward 2(3), Tirupur	1,512/-*	Income Tax Dues (Govt Dues)	Rejected since the claim was received after list of stakeholders filed with the Adjudicating Authority
Grand Total	1,732,729/-		1,731,217/-



5. It is stated that a Bank Account in the name of 'Tirupur Sri Senthil Cotton Mills Limited - In Liquidation' bearing A/c No.048321010000047 was opened on 04.12.2021 with Union Bank of India, Tirupur SSI Branch.

6. It is stated that as per Regulation 13 of the Liquidation Regulation, the Preliminary Report was filed within 75 days from the Liquidation Commencement date on 10.08.2020. The valuation of the assets of the Corporate Debtor was ascertained from the Valuation Report dated 03.12.2019, which is extracted hereunder:

S.no	Details of Assets	Value in Rs.
1.	10 Number of Equity shares of South Indian Bank Ltd	110.00
2.	Security Deposit with Electricity Board	102,827.00
3.	Cash in hand & Bank	13,280.00
Total		116,217

7. It is stated that the Applicant had requested the Electricity Board to refund the Security Deposit of Rs.1,02,827/- deposited by the Corporate Debtor. In turn, the TANGEDCO vide letter dated 08.12.2021 stated that there is no due towards the Corporate Debtor and demanded an amount of Rs.56,769/- from the Corporate Debtor. In response, the Applicant advised TANGEDCO to file a claim in the appropriate Form. However, no claim has been received from TANGEDCO till date.



8. With respect to realizing the equity shares from the South Indian Bank, it is stated that the cost of opening a Demat account is higher than the share value of the Corporate Debtor.

9. It is stated that the following litigations were filed by and against the Corporate Debtor. The status of the litigations as on filing of this Application is provided hereunder:

S.N	Proceedings Initiated By	Before Court/ Authority	Subject Matter	Brief Particulars of the Proceedings	Present Status
1.	Corporate Debtor	Hon'ble High Court of Madras	Wrong availment of CENVAT Credit	Writ Petitions (W.P. Nos. 3662 to 36646/2006) challenging the Notice received for an amount of Rs. 47,14,274/- along with interest and penalty.	On discharge certificate being issued by the Department the matter stands closed.
2.	The JDGFT, Coimbatore	The JDGFT, Coimbatore	Foreign Trade Development Act	Rs. 7018515/- being penalty imposed on the Corporate Debtor for non-fulfilment	The CD has filed writ petition (WP.No.13 516/2017) before the

K.C. Senthikumar

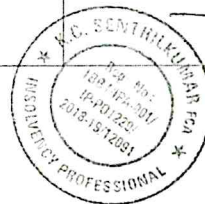


				of Export obligation imposed in the Advance License	Hon'ble HighCourt of Madras to stay the recovery proceedings. The WP is dismissed as infructuous.
3.	Corporate Debtor	Before the Hon'ble High Court of Madras	Customs Act	CD has filed Writ Petitions (WP.No. 11510/2011, 8610/2016 & 7660/2016) seeking various remedies for issuance of EODC and stay of proceedings of the JDGFT, Coimbatore and the Commissioner of Custom, Tuticorinn.	W.P. No. 11510/2011 stands closed vide order dated 09.03.2021)





4	The JDGFT, Coimbatore	The JDGFT, Coimbatore	Foreign Trade Development Act	Penalty of Rs. 50000/- imposed against CD for non-fulfillment of Export Obligation	Intimation of commencement of Liquidation process sent to The JDGFT, Coimbatore on 01.06.2020 . But no claim was received
5	The Asst Commissioner of Custom	The Asst Commissioner of Custom	Customs Act	Demanding Duty Drawback of Rs. 14,53,144/- with interest for non realization of export proceeds	CD had filed Writ Petition (WP.No. 17460/2015 challenging the appeal orders and the same is disposed by withdrawal
6.	CBI, Bengaluru	CBI, Coimbatore	Banking Law	UCO Bank made complaint against the CD and others for causing loss to the Bank	*





7.	Mrs. S. Mala	Court of Commission for Employees	Employee Compensation Act	Compensation claimed by Mrs. S. Mala for the death of an employee occurred in the premises of the CD in 2013	Pending for hearing
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10. It is stated that the Court of the II Additional District Judge (CBI cases), Coimbatore, in CC No.12/2011 has made the following observations:

"a. The Criminal Case as against A4 M/s. Tirupur Sri Senthil Cotton Mills Ltd in CC No 12/2011 on the file of this court would be proceeded as represented by its managing director A1 A.P. Velusamy

b. In the case of any conviction as against the firm, the fine amount would be paid by A1 and in the event of any failure on the part of A1, then the Liquidator may be addressed with a copy of judgement of this court, inviting him to pay the fine amount out of the assets available with him with regard to the said firm.

c. The Liquidator Mr.K.C.Senthilkumar would have a limited role only at the fag end of the verdict regarding fine."

11. It is stated that the Corporate Debtor does not have any other asset or receivable to be realized. It is also stated that no applications are pending before this Tribunal regarding PUF transactions.

12. It is stated that the Liquidation Process is completed within the timelines prescribed. Details of the same are as under,



Sl No	Name of the Report	Date of filing with this Hon'ble Tribunal
1	Preliminary Report	10.08.2020
2	Asset memorandum	10.08.2020
3	Quarterly Progress report I	15.07.2020
4	Quarterly Progress report II	07.12.2020
5	Quarterly Progress report III	12.01.2021
6	Quarterly Progress report IV	12.04.2021
7	Quarterly Progress report V	21.07.2021
8	Quarterly Progress report VI	11.10.2021
9	Quarterly Progress report VII	12.01.2022
10	Quarterly Progress report VIII	05.04.2022
11	Final report prior to Dissolution	09.06.2022

It is stated this Tribunal vide order dated 28.10.2021 excluded the COVID-19 lockdown period and extended the Liquidation Period till 28.05.2022.

13. It is stated that the receipts and payment of the Liquidator have also been audited till 31.03.2022. The receipts and payments from 01.04.2022 and 09.06.2022 are also placed on record.

14. On hearing dated 07.07.2023, this Tribunal had directed the Applicant to verify the position of cash and bank balance available with the Corporate Debtor as on the Liquidation Commencement Date (LCD). Complying the same, Applicant vide an Additional Affidavit dated 19.07.2023 stated that as on LCD the Corporate Debtor had Rs.13,280/- and it was utilized towards initial liquidation cost. The Liquidation bank account showing nil balance is also filed along with the additional affidavit.



15. Heard the submissions made by the Learned Counsel for the Applicant and perused the documents on record. Section 54 of the IBC, 2016 provides as follows: -

"Section 54

(1) Where the assets of the corporate debtor have been completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate debtor.

(2) The Adjudicating Authority shall on application filed by the liquidator under sub-section (1) order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.


(3) A copy of an order under sub-section (2) shall within seven days from the date of such order, be forwarded to the authority with which the corporate debtor is registered."

16. From the submission of the Applicant and perusal of the documents on record it is seen that the total assets of the Corporate Debtor are valued at Rs.1,16,217/-. Where Rs.1,02,827/- is a security deposit with the Electricity Board. In the letter dated 08.12.2021 sent by TANGEDCO, it was recorded as follows,

HTSC.No.122 M/s. Tirupur Sri Senthil Cotton Mills DC on 23-07-2013. The consumer request the Permanent Dismantling vide ref(2) and Permanent Dismantling on 29.08.2013. In this circumstances the consumer request to refund the available CCD. Hence there is due pending after deduction the deposit, details are furnished below.

Non Payment of CC charges (06/13 & 07/13)	Rs.14,40,995
BPSC	Rs.52,574
Monthly Minimum for Aug/13	Rs.84,610
Total	Rs.15,78,179
(Less) CC Deposit Amount	Rs.15,21,410
To be collected from the Consumer	Rs.56,769

Kindly remit a sum of Rs.56,769/- of pending dues.


Superintending Engineer
TEDC/Tirupur



The above letter supports the submission of the Applicant that there are no receivables from the Electricity Board.

17. It could be seen from the bank statement filed in the memo dated 10.12.2022 that the balance of the liquidation account was marked as zero balance as on 21.09.2022 and the same is extracted hereunder:

UNION BANK OF INDIA
TIRUPUR (SSI) BRANCH
NO 15, 107 STREET, SANGA NAGAR
OFF. OFFICE OF THE INSPECTOR OF
PHONE: 9444-4444

TO :
M/S IN LIQUIDATION TIRUPUR SRI SETHIL COTTON MILLS LIMITED
C/O INSOLVENCY PROFESSIONAL
K C SETHILKUMAR NO 27 4TH STREET
TIRUPUR-611002
TAMIL NADU, INDIA

DATE: 21-09-2022

CUNT ID : 90560110

STATEMENT OF ACCOUNT FOR THE PERIOD FROM 04-12-2021 TO 21-09-2022 (CAGEN-A/C NO: 04931010001047) (CD SERIAL: 00) (SERIAL: 000)

DATE	PARTICULARS	CHQ. NO.	WITHDRAWALS	DEPOSITS	BALANCE
04-12-2021	BY CASH			5,300.00	5,300.00
01-03-2022	SMS Charges for March,2022 Quarter		17.70		4,982.30
01-03-2022	CD MIN BAL CHARGES		390.00		4,592.30
01-06-2022	SMS Charges for June,2022 Quarter		17.70		4,374.60
01-06-2022	CD MIN BAL CHARGES		390.00		3,784.60
01-09-2022	SMS Charges for September,2022 Quarter		17.70		3,766.90
01-09-2022	CD MIN BAL CHARGES		490.00		3,276.90
21-09-2022	M C SETHILKUMAR	193381	3,176.00		0.00
21-09-2022	Dr Operative A/c		0.00		0.00
Cumulative Totals:			5,000.00	5,300.00	0.00

The Min. Bal. Requirement For Current Account in Metro Br Rs 10000
The Min. Bal. Requirement For Current Account in Urban Br Rs 1000
The Min. Bal. Requirement For Current Account in Semi-Urban Br Rs 2500
The Min. Bal. Requirement For Current Account in Rural Br Rs 1000

Unless consistent notices the bank immediately of any discrepancy found by him in his statement of Account, it will be taken that he has found the account correct.

POSTED: M/S OF FINDS REMITTANCE-RTGS (UNION BANK)
IFSC/MICA code for TIRUPUR(SSI) BRANCH: UNIN19049307441026019

Contact at India toll free no. 1800 22 22 44 for your account related queries



18. In the final report and the Compliance Certificate filed in Form-H by the Applicant, the amount distributed is recorded as under,

4. (a) Liquidation value of the liquidation estate: Rs. 116217.00
(b) Amount realised from sale of liquidation estate: Nil
(c) The amounts distributed to stakeholders as per section 52 or 53 of Code are as under:

(Amount in Rs. lakh)

Sl. No.	Stakeholders* under section 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount Claimed (%)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	(a): CIRP Costs					
2	(a): Liquidation Costs					
3	(b)(i)					
4	(b)(ii)					
5	(c)					
6	(d)					
7	(e)(i)					
8	(e) (ii)		NIL			
9	(f)					
10	(g)					
11	(h)					
Total						



It is thus seen that the Corporate Debtor has been completely liquidated. In the circumstances, this Tribunal finds it necessary to order for a dissolution of the Corporate Debtor as per Section 54 of the Code.

19. Accordingly, we order the dissolution of the Corporate Debtor viz., **TIRUPUR SRI SENTHIL COTTON MILLS LIMITED**. The Liquidator is directed to forward a copy of this Order to the RoC concerned and also to the IBBI for its records and for updating the status of the Corporate Debtor on the 'MCA - Master data' within a period of 7 days from the date of this Order.

20. Accordingly, **IA(IBC)/771(CHE)/2022** stands **allowed** and **disposed of**.



- Sd -

SAMEER KAKAR
MEMBER (TECHNICAL)



- Sd -

SANJIV JAIN
MEMBER (JUDICIAL)

*Order pronounced under Rule 151 of NCLT Rules 2016, by **Hon'ble Judicial Member Sanjiv Jain** on behalf of the Bench Comprising of **Sanjiv Jain, Member (Judicial)** and **Sameer Kakar, Member (Technical)**.*

M. Nalluchocayal
Court Officer.