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

**IA(IBC)/180/CHE/2022 in MA/854/2019 in  
CP/1211/IB/2018**

*(Filed under Section 54(1) of the Insolvency and Bankruptcy Code,  
2016 r/w Regulation 45 of IBBI (Liquidation Process) Regulations,  
2016 and Rule 11 of NCLT Rules, 2016*

*In the matter of **GOLD KINGTEX INDIA PRIVATE LIMITED***

**Mr.M.Suresh Kumar,**  
Liquidator of Gold King Tex India Pvt Ltd  
SPP& Co, Chartered Accountants,  
No.27/9, Nivedh Vikas, Pankaja Mill Road,  
Piuliyakulam, Coimbatore – 641 045

*... Applicant*

*Order Pronounced on **26<sup>th</sup> April 2023***

CORAM:

**Justice RAMALINGAM SUDHAKAR, Hon'ble PRESIDENT  
SAMEER KAKAR, MEMBER (TECHNICAL)**

*For Applicant : A.G.Sathyanarayana, Advocate*

**ORDER**

***Per: SAMEER KAKAR, MEMBER (TECHNICAL)***

This IA(IBC)/180/2022 has been filed by the Applicant under Section 54(1) of the Insolvency and Bankruptcy Code (IBC), 2016 r/w Regulation 45 of Insolvency and Bankruptcy Board of India, (Liquidation Process) Regulations, 2016 and Rule 11 of National Company Law Tribunal Rules, 2016 seeking relief as follows;



- a. *To pass an order dissolving Gold King Tex India Private Limited in Liquidation ("Corporate Debtor"); or*
- b. *To pass such orders or further orders as this Tribunal may deem to be fit and proper in the facts and circumstances of the case and thus render justice.*

2. This Tribunal vide order dated 25.01.2019 had ordered commencement of CIRP of the Corporate Debtor, viz, Gold King Tex India Private Limited filed by an Operational Creditor namely GHCL Limited and one Mr. C.Ramasubramaniam was appointed as the Interim Resolution Professional (IRP).

3. The IRP on 18.03.2019 had convened the 2<sup>nd</sup> Committee of Creditors (CoC) meeting with the Sole Financial Creditor namely, State Bank of India having 100% voting rights who had recommended to appoint the Applicant herein namely Mr.M.Suresh Kumar as the Resolution Professional (RP) and the same was allowed by this Tribunal in MA/353/2019 vide order dated 23.04.2019.

4. In the 4<sup>th</sup> CoC meeting held on 29.07.2019, wherein it has been resolved to liquidate the Corporate Debtor ("CD") and therefore an application was filed for liquidation and the same was allowed by this Tribunal in MA/854/2019 vide order dated 03.09.2019.



5. Pursuant to the order of Liquidation the Applicant had caused Public Announcement on 06.09.2019 by inviting claims from all the stakeholders. Further, the Applicant has also sent intimations about liquidation order of the CD to all the statutory authorities i.e. Regional Director, Southern Region (Ministry of Corporate Affairs), Income Tax Department, Employee Provident Fund Organization (EPFO), Employee State Insurance Corporation (ESIC) etc., on 20.09.2019 and to the Register of Companies on 27.09.2019.

6. It was averred that in response to the same, State Bank of India, Sole Financial Creditor has filed their claim apart from the claims received from the Operational Creditors and the same was verified and claim acceptance/rejection was intimated to the stakeholders. Thereafter, the Applicant had received belated claim from the Employees Provident Fund Organization (EPFO) Department on 08.02.2020 for Rs.11, 81,978/-.

7. However, the said claim was verified and to incorporate the same in the final List of Stakeholders, an Application was filed before this Tribunal under Regulation 31(2) of the IBBI (Liquidation Process) Regulations, 2016 for modification of the stakeholders list and the same was allowed by this Tribunal in IA/865/2020 in MA/854/18/2019 in CP/1211/IB/2018 vide order



dated 16.04.2021. However, Modified List of Stakeholders was filed before this Tribunal on 03.05.2020 and the same is tabulated hereunder:

S.No	Name of the Financial Creditor	Address	Amount claimed by Creditor	Amount Admitted
<b>Due to Workmen or Employees from Provident Fund &amp; Gratuity Fund</b>				
1	Employees Provident Fund Organization	SJ Complex, Swarnapuri, Salem	3,83,345.00	3,83,345.00
Total			3,83,345.00	3,83,345.00
<b>Financial Creditor</b>				
1.	State Bank of India	Raja Plaza, First Floor No. 1112, Avinashi Road, Coimbatore - 641 037	44,95,01,917.88	44,95,01,917.88
2.	State Bank of India (As Corporate Guarantor)	Raja Plaza, First Floor No. 1112, Avinashi Road, Coimbatore - 641 037	83,94,66,299.88	83,94,66,299.88
TOTAL (Financial Creditors Claim)			1,28,89,68,217.76	1,28,89,68,217.76
S.No.	Name of Operational Creditor	Address	Amount claimed by creditor	Amount Admitted
1	GHCL Ltd	No.191/192, MahalaFaila, BhiladVillage, Valsad District, Gujarat - 396 105	98,04,426	98,04,426
2	Employees State Insurance Corporation	39/57, TheerthamalaiVanigaValagam, Three Road, Salem - 636 009	2,06,209	2,06,209
3	Employees Provident Fund Organization	SJ Complex, Swarnapuri, Salem	7,98,633	7,98,633
TOTAL ( Operational Creditors Claim)			1,08,09,268	1,08,09,268



8. 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 06.09.2019	Exhibit "B" at Page No. 61-62
2	Regulation 35(2)	Appointment of Registered Valuers where no valuation conducted during CIRP	Registered Valuers were appointed by IRP during CIRP
3	Regulation 31(2)	List of Stakeholders within 45 days of the Liquidation Commencement Date	Exhibit "G" at Page No. 193-200
4	Regulation 31A	Constitution of Stakeholders Consultation Committee (SCC)	Exhibit "H" at Page No. 210 - 211
5	Regulation 13	Preliminary Report dated 07.11.2019	Exhibit "D" at Page No. 70-78
6	Regulation 34	Preparation of Asset Memorandum dated 07.11.2019	Exhibit "D" at Page No. 78-85
7	Regulation 41	Opening of Bank Account in the name of the company in Liquidation in "State Bank of India" on 30.09.2019	Exhibit "F" at Page No. 179-192
8		Proof of Closure of the above Bank Account and other account in the name of the Company	Exhibit "F" at Page No. 192
9	Regulation 15	Quarterly Progress Reports and proof of filing the same before this Tribunal (Totally 10 reports has been filed before this Tribunal and the same is averred in para 32 of the Application)	Exhibit "E" at Page No. 86 - 178
10	Regulation 36	Asset Sale Reports after sale of Reports and the same can be seen in 7 <sup>th</sup> Progress Report	Exhibit "E" at Page No. 145-146



11	Regulation 42(2)	Proof of Distribution within Ninety days from the receipt of realization	Exhibit "F" at Page No. 179-192
12	Regulation 45 (3)	Final report dated 02.02.2022	Page Nos. 16 to 31
13	Regulation 5 (1) (e)	Compilation of Minutes of SCC	Exhibit "I" at Page No. 212 - 226
14	Regulation 15	Audited Accounts of receipts and Payments	Exhibit "K" at Page No. 285-286
15	Regulation 37	Completion of Liquidation Process within one year from Liquidation Commencement Date or extension if any, date of the order & period	The order in IA/356/2021 for exclusion from 24.03.2020 to 14.03.2021 and extension of 6 months from 04.09.2020 was ordered on 31.05.2021. Therefor the Liquidation process to be completed on or before 24.02.2022 as allowed by this Tribunal.
16		Form-H dated 03.02.2022	Page Nos. 287 to 292

9. It was further averred that the entire fixed assets of the company at No.67, Goundampalayam Village, Royarpalayam, Tiruchengode, Namakkal-637205, are in the custody of Liquidator (possession taken during CIRP Period) and the Liquidator has made necessary security arrangements for safeguarding the property.



10. Two IBBI Registered Valuers (for each category of Assets) were appointed by the erstwhile IRP on 13.03.2019 for valuation during the CIRP process and the same was taken for the Liquidation process, as there were no significant changes in the property or market scenario during that time. The valuation report was submitted by the Valuers and the average liquidation value of the CD is computed as Rs.747.06 Lakhs (excluding the 36 cents of land owned in the name of M/s. GB Raja Tex India Pvt. Ltd.)

11. As per Regulation 31 of the Liquidation Process Regulations, 2019, the Applicant has constituted the Stakeholders Consultation Committee (SCC) against the receipt of claims and the 1<sup>st</sup> SCC meeting was held on 29.11.2019 to discuss about the 1<sup>st</sup> E-auction of the assets of the CD and the SCC members discussed about the factory building built upon the group company GB Raja Tex India Pvt. Ltd] land measuring to 36 cents which has to be auctioned along with the CD land as it is interlocked with the CD land and cannot be auctioned separately as there are overlapping building structures in the said land. However, in the SCC meeting State Bank of India has agreed to Auction along with the CD and after obtaining internal approval and formal letter decided to proceed with the E-auction of the assets of the CD.



12. Applicant has received letter from SBI on 28.01.2020 whereby it is stated that the internal approvals were obtained for sale of land measuring to 0.36 acres in the name of GB Raja Tex India Pvt. Ltd along with the assets of CD at the reserve price of Rs.0.24 crore and proceeded with the sale notice for 1-auction of the Assets of the CD by adding the value provided by the SBI. Thereafter, based on the discussions in the 1<sup>st</sup> SCC meeting and on receipt of approval from SBI, the liquidator proceeded with the 1<sup>st</sup> E-auction of the assets of the CD in liquidation comprise of plant and machinery and Land and Building at the reserve price of Rs.749.61 Lakhs plus Rs. 24.00 Lakhs [being the total Liquidation value of land and building and Plant and machinery of the CD along with the reserve price of Rs.0.24 crores provided by the SBI) and the Earnest Money Deposit (FMD) was fixed as 10% of the Reserve Price.

13. The Liquidator caused a Public Notice for 1<sup>st</sup> E-auction sale in "The New Indian Express" in English daily and "Dinamani" in Tamil daily, Dharmapuri Edition covers Namakkal and Tiruchengode on 02.02.2020.

14. It is submitted that an open-auction through E-auction was conducted on 04.01.2020 with a Reserve Price of Rs 272.305 lakhs for Plant and machinery and 4 bidders participated in the auction



of Plant and machinery whereas M/s. ES International emerged as successful bidder at the final price of Rs.320.31 lakhs Thereafter, the successful bidder M/s. ES International made payment of 25% of the sale consideration as per the tender terms and balance 75% payment was received in the month of July, 2020 [No interest was charged for delay in payment as the period was excluded due to Covid-19 complete Lockdown]. The Liquidator has issued the Sale Certificate dated 24.07.2020 to M/s. ES International for Sale of the entire Plant and Machinery and other movable asset. Subsequent to the sale, the liquidator has filed the Asset Sale Report along with the 6<sup>th</sup> progress report before this Tribunal on 07.01.2021.

15. It is further submitted that for the sale of Land and Building of the CD, 2<sup>nd</sup> and 3<sup>rd</sup> Auction e-auction sale was conducted on 02.04.2020 and 28.09.2020 but went unsuccessful as there were no bidders participating in the 2<sup>nd</sup> and 3<sup>rd</sup> e- auction.

16. In the 4<sup>th</sup> SCC meeting held on 04.12.2020 wherein it was decided to fix the reserve price as Rs.407.20 Lakhs (reducing from the reserve price fixed in the 3<sup>rd</sup> E-auction) and the Earnest Money Deposit was fixed as 10% of the Reserve Price and all other conditions of the e-auction remain the same. For the same the Liquidator had caused a public announcement for 4<sup>th</sup> e-auction



sale in "New Indian Express" in English daily and "Dinamani" in Tamil daily, Dharmapuri Edition covers Namakkal and Tiruchengode on 06.12.2020.

17. The 4<sup>th</sup> e-auction was conducted on 24.12.2020 with reserve price of Rs.407.20 lakhs for Land and Building wherein only one bidder namely Shri. P.Kuppusamy, Smt. A.Rajamani, Shri.K.Vivekanandan & Smt K.Magila (Joint Bidders) participated in the e-auction of land and building and emerged as Successful Bidder and had made payment of 25% of the sale consideration as per the tender terms and balance 75% payment was received on 18.03.2021(Interest was charged for delay in payment from 25.01.2021 to 18.03.2021 for 52 days @ 12% along with the GST of 18% on delayed interest). Thereafter, the Liquidator has issued the Sale Certificate dated 18.03.2021 to Shri. P.Kuppusamy, Smt. A.Rajamani, Shri.K.Vivekanandan & Smt K.Magila (Joint Bidders) for Sale of the entire land building. Subsequent to the sale, the liquidator has filed the Asset Sale Report along with the 7<sup>th</sup> progress report before this Tribunal on 15.04.2021.

18. The Liquidator had preferred an application bearing IA/356/CHE/2021 seeking exclusion and extension of Liquidation period and the same was allowed by this tribunal by excluding the period from 24.03.2020 to 14.03.2021 and extending the period

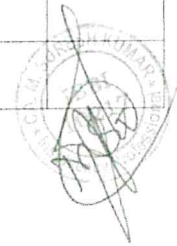


of Liquidation from 04.09.2020 and the same process to be completed on or before 24.02.2022.

19. It was further submitted by the Learned Counsel for the Applicant that the sale has been completed and all the assets realized are distributed as per Section 53 of the Code. It is also seen from Form-H that the Applicant / Liquidator has not filed any Application under Chapter III of IBC, 2016 which contains Sections 43, 45, 50 and also under Chapter VI which contains Section 66 of IBC, 2016. Further in Form -H, the amounts distributed to stakeholders as per Section 52 and 53 of the code is reproduced hereunder:

(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	Priority payment U/s 36(4)(a)(iii)	3.83	3.83	3.83	100%	
2	(a): CIRP Costs	20.59	20.59	20.59	100%	
3	(a): Liquidation Costs	123.87	123.87	123.87	100%	





4	(b) (ii) :Debts owed to Secured Creditor in the event such secured creditor has relinquished security in the manner set out in Section 52	12889.68	12889.68	643.02	4.99%	
5	(f): Any Remaining Debts and dues	108.09	108.09	0	0	
	<b>Total</b>	<b>13146.06</b>	<b>13146.06</b>	<b>791.31</b>	<b>6.02%</b>	

20. Heard the submissions made by the Learned Counsel for the Applicant. 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."*

21. 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 and in the circumstances as averred and as prayed for by the Applicant that 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., **Gold King Tex India Private Limited** and the Liquidator is directed to forward a 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.

— Sd —

**SAMEER KAKAR**  
MEMBER (TECHNICAL)

*Sriram Ananth.V*

— Sd —

**JUSTICE RAMALINGAM SUDHAKAR**  
PRESIDENT