



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT- I) CHENNAI**

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **31.07.2024** THROUGH VIDEO CONFERENCING

PRESENT: HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

IN THE MATTER OF : P Jayabalan
Vs
Sapphire clothing Company India Pvt Ltd

MAIN PETITION NUMBER : CP(IB)/149(CHE)2023

(IA/MA) APPLICATION NUMBERS

IA(Liq)/14(CHE)2024

ORDER

Present: Ld. Counsel Shri. A G Sathyanarayana for the Applicant / RP.

Vide separate order pronounced in Open Court, the application seeking liquidation of the Corporate Debtor is allowed.

Sd/-

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

MG

Sd/-

(SANJIV JAIN)
MEMBER (JUDICIAL)



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

IA(IBC)(LIQ)/14/CHE/2024 in CP(IB)/149/CHE/2023

*(Filed under Section 33(1)(a), 33(2) & 34(1) of the Insolvency and Bankruptcy Code,
2016 read with Rule 11 of NCLT Rules, 2016)*

In the matter of *Sapphire Clothing Company India Private Limited*

CA Mahalingam Suresh Kumar,
Resolution Professional of
Sapphire Clothing Company India Private Limited
2nd Floor, CODISSIA G.D. Naidu Towers,
Huzur Road, Coimbatore,
Tamil Nadu – 641 018

... Applicant

Order Pronounced on 31st July, 2024

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)

VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

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

ORDER

(Heard Through Hybrid Mode)

This is an application filed under Section 33(1)(a), 33(2) & 34(1) of
the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of NCLT
Rules, 2016 seeking reliefs as follows:



- (a) *To pass an order for Liquidation of the Corporate Debtor namely M/s. Sapphire Clothing Company India Private Limited.*
- (b) *To pass an order by appointing M/s. SPP Insolvency Professionals LLP [a registered IPE & IP] having IBBI Reg. No. IBBI/IPE-0143/IPA-1/2022- 23/50033 for administering the Liquidation Process of the Corporate Debtor; and*
- (c) *To Pass such orders or further orders which this Hon'ble Tribunal may deem to be fit and proper in the interest of justice.*

2. From the averments made in the application, it is seen that the Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor was initiated on 22.11.2023 and one Mr.S.R.Shriram Shekar was appointed as the Interim Resolution Professional (IRP).

3. It is stated that this Tribunal has ordered moratorium under Section 14 and directed the IRP to make public announcement and complete the assignment as required under law. The Applicant submits that the public announcement about initiation of the CIRP and the calling for the claims was published by the IRP on



24.11.2023 in 'Indhu Tamizh Thisai' (Tamil) & 'Business Standard' (English).

4. Pursuant to the public announcement, the last date of submission of claims was fixed on 06.12.2023 as stated in the public announcement. The public notice sought proof of claims from financial creditors in Form-C as stipulated in Regulation 8 and from Operational creditors in Form-B till the last date of claim (i.e. 06.12.2023).

5. It is stated that the Indian Overseas Bank on 06.12.2023 filed an IA/2360/2023 before this Tribunal to stay the order passed in CP(IB)/149(CHE)/2023 dated 22.11.2023 and consequently prayed for restraining the IRP from continuing the CIRP.

6. It is stated that pursuant to the public announcement, the IRP received the claims, further collated all the claims with the available records and prepared the list of creditors and constituted the Committee of Creditors ("CoC") and the same was filed before this Tribunal in IA/2417/2023 and the order was delivered on 11.01.2024, in compliance with the Regulation 13(2)(d) & 21(1) of the IBBI



(Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

7. It is stated that the 1st CoC Meeting was held on 18.12.2023, wherein, the CoC had a brief discussion on Corporate Debtor's Operation.

8. It is stated that the 2nd CoC meeting was held on 30.01.2024 wherein they discussed various agendas and one among them was about appointment of the Resolution Professional ("RP"). The CoC unanimously passed the Resolution for replacement of RP and appointment of CA. Mahalingam Suresh Kumar as RP of the Corporate Debtor who is the applicant herein and his appointment was ordered by this Tribunal vide order dated 23.02.2024 in IA/491/CHE/2024.

9. It is stated that 3rd CoC meeting was held on 22.02.2024 wherein, the CoC passed resolution for approval for appointment of Valuers as required under Reg. 27 of IBBI (CIRP) Regulations 2016.



10. It is stated that the Applicant took over the physical possession of the corporate debtor from the IRP, along with all relevant documents and records pertaining to the corporate debtor 's operations, finances, and assets. This transfer of control was a crucial step in ensuring a seamless transition of responsibilities and maintaining continuity in the insolvency resolution process. Following the takeover, on 7th March 2024, the Applicant appointed Registered Valuers to conduct a thorough valuation of the corporate debtor 's assets.

11. During the 4th CoC meeting convened by the RP on 14.03.2024, the CoC deliberated on various critical issues and ultimately approved the resolution for the publication of Form-G.

12. It is stated that Form-G was published on 15.03.2024, inviting Expressions of Interest (EOIs) for the resolution of the CD. In response to this publication, Five EOIs were received. However, despite the initial interest, none of the prospective applicants submitted a resolution plan following the issuance of the Request for Resolution Plan (RFRP) and the evaluation matrix.



Consequently, during the 7th CoC meeting held on 15.05.2024, the CoC resolved to issue a fresh Form-G to attract new EOIs.

13. It is stated that an application IA(IBC)/1224/CHE/2024 was filed before this Tribunal seeking a 90 day extension beyond the regular 180 day period, which was set to end on 20.05.2024. Considering the aforementioned circumstances and the ongoing efforts to secure a resolution plan, this Tribunal vide order dated 28.05.2024 granted the extension, thereby extending the CIRP period until 18.08.2024.

14. It is stated that on 18.05.2024 the Applicant Published 2nd Form G, but the applicant did not receive any EOI, although there were enquiries from 10 parties. No party submitted the EOI for the 2nd Form G.

15. It is stated that the Applicant placed the above facts before the CoC and the CoC in its 8th meeting dated 13.06.2024 **unanimously** approved the resolution for liquidation of the Corporate Debtor and to appoint M/s. SPP Insolvency Professionals LLP, a registered Insolvency Professional Entity (IPE) and Insolvency Professional



(IP) with IBBI Registration No. -IBBI/IPE-0143/IPA-1/2022-23/50033 and a valid Authorization for Assignment (AFA), as the Liquidator to manage the liquidation process of the CD under section 35 of IBC, 2016.

16. We have heard the submissions and perused the record.

17. The applicant has annexed **Form-H** and the same is placed at **Page Nos.119-125** of the Application typeset. It is seen from the Form-H that there are no PUFЕ applications pending in this matter.

18. It is seen from the records that the Committee of Creditors in the 8th COC meeting held on 13.06.2024 has unanimously resolved to liquidate the Corporate Debtor. In such circumstances, this Adjudicating Authority concludes that this application be allowed. As a consequence thereof, we order for the Liquidation of the Corporate Debtor as per Section 33(2) of IBC, 2016.



19. The proposed Liquidator, SPP Insolvency Professionals LLP has also filed his written consent to act as the Liquidator of the Corporate Debtor and also on verification from the IBBI Website, it is seen that the Authorization for Assignment (AFA) for the said person is valid up to 30.06.2025.

20. We hereby appoint *SPP Insolvency Professionals LLP*, with Reg. No. **IBBI/IPE—0143/IPA-1/2022-2023/50033** as the Liquidator of the Corporate Debtor, to carry out the liquidation process subject to the following terms of the directions.

- a) The Liquidator shall strictly act in accordance with the provisions of IBC, 2016 and the attendant Rules and Regulations including Insolvency and Bankruptcy (Liquidation Process) Regulations, 2017 as amended upto date enjoined upon her.
- b) The Liquidator shall issue the public announcement that the Corporate Debtor is in liquidation. In relation to officers/ employees and workers of the Corporate Debtor, taking into consideration Section 33(7) of IBC, 2016, this order shall be deemed to be a notice of discharge.
- c) The Liquidator shall investigate the financial affairs of the Corporate Debtor particularly, in relation to preferential



transactions/ undervalued transactions and such other like transactions including fraudulent preferences and file suitable application before this Adjudicating Authority.

- d) The Liquidator is directed to proceed with the process of liquidation in a manner laid down in Chapter III of Part II of the Insolvency and Bankruptcy Code, 2016.
- e) The Liquidator is directed to investigate the financial affairs of the Corporate Debtor in terms of the provisions of Section – 35(1) of IBC, 2016 read with relevant rules and regulations and also file its response for disposal of any pending Company Applications during the process of liquidation.
- f) The Liquidator shall submit a Preliminary report to this Tribunal within 75 (seventy-five) days from the liquidation commencement date as per regulation 13 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016. Further such other or further report as are required to be filed under the relevant Regulations, in addition, shall also be duly filed by him with this Adjudicating Authority.

21. The Registry is directed to communicate this order to the Registrar of Companies, concerned and to the Insolvency and Bankruptcy Board of India;



22. The order of Moratorium passed under Section 14 of the Insolvency and Bankruptcy Code, 2016 shall cease to have its effect and that a fresh Moratorium under section 33(5) of the Insolvency and Bankruptcy Code shall commence.

23. Copy of this order be sent to the financial creditors, Corporate Debtor and the Liquidator for taking necessary steps and for extending the necessary co-operation in relation to the Liquidation process of the Corporate Debtor.

24. With the above said directions, this **IA(IBC)(LIQ)/14/CHE/2024** filed for Liquidation of the Corporate Debtor stands **allowed**.

-Sd-

VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

SriramAnanth.V

-Sd-

SANJIV JAIN
MEMBER (JUDICIAL)