

IN THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH-I, CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING  
HELD ON 16.07.2024 THROUGH PHYSICAL HEARING

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



IN THE MATTER OF : Syndicate Bank  
Vs  
Vijay Spinners (RJPM) Pvt. Ltd.

MAIN PETITION NUMBER : CP/988/2018

(IA/MA) APPLICATION NUMBERS

IA/499/2023, IA/866(CHE)/2024, IA/1295(CHE)/2024, IA/869(CHE)/2023, IA/2071(CHE)/2023,  
IA/2073(CHE)/2023, IA(IBC)/1500(CHE)/2024 IN IA/485/2022, IA(IBC)/1504(CHE)/2024 IN  
IA/485/2022, New Application No. IA/1552/2024

S.NO.	NAME (IN CAPITAL)	DESIGNATION REPRESENTATION BY WHOM	SIGNATURE
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1.	EPB, Madurai Applicant IA-499 of 2023	P. K. Panner P. K. Panner for EPB, Madurai	
2.	A. ARUMUGAM	Liquidator	A. Arumugam
3.	P. STEPHEN RAJ	Co-liquidator	Stephen Raj - P
4.	A. S. Sathyanarayana	for Bidder	
5.	A. ARUMUGAM	RP	A. Arumugam





**1. CP/988/2018**

**COMMON ORDER**

**IA/499/2023**

Present: Shri. P.K. Panneer Selvam, Ld. Counsel for the Applicant/EPFO.  
Shri. P. Stephenraj, Ld. Counsel for the Liquidator.  
Shri. A. Arumugam, Liquidator in person.

This application has been filed by the EPFO seeking directions to the Liquidator to admit an amount of Rs.89,59,884/- as claimed which was rejected by the Liquidator.

Heard.

The CIRP in the present case was initiated on 09.12.2019. The liquidation order was passed on 19.09.2022. The claim is for the period from April 2021 to October, 2022. Section 7A order in respect of the claim was passed by the Assessing Authority on 13.03.2023. There is a delay of 31 days in filing the claim before the Liquidator.

Liquidator has referred job work agreement dated 01.06.2020 signed by the Promoter/Managing Director (Suspended) and the RP with the Company M/s. H.M. Textiles Private Limited. He has also referred to an order of Hon'ble NCLAT at page-19 whereby it was directed that the IRP will ensure that the company remains a going concern and he will take assistance of the Suspended Board of Directors. The persons who are working will perform their duties including paid directors.

Ld. Counsel for the Applicant is directed to explain whether the Assessing Authority can pass an order in respect of the claim/dues which have occurred during the moratorium/liquidation period.

**IA/866(CHE)/2024**

Present: Shri. P. Stephenraj, Ld. Counsel for the Liquidator.  
Shri. A. Arumugam, Liquidator in person.  
Shri. Manoj Menon, Ld. Counsel for R1.  
None for R2 & R3 who are the Police Officers.

This application has been filed seeking the following reliefs:

- a) *Direct the Suspended Directors specifically the 1<sup>st</sup> Respondent from restraining entering into the Mill premises of the Corporate Debtor situated at No.18, Pugazhendhi Road, Avarampatti, Cotton Market, Rajapalayam.*
- b) *Direct the Respondent No. 2 & 3 to provide the Police protection to the Mill premises of the Corporate Debtor situated at No. 18, Pugazhendhi Road, Avarampatti, Cotton Market, Rajapalayam.*
- c) *Direct the 1<sup>st</sup> Respondent to return the steel gate which was removed from the Mill premises and erect the same in a time within a short period.*
- d) *To pass such other orders or further orders in this regard as this Hon'ble Tribunal may deem fit and proper and thus render justice.*

Ld. Counsel for the R1 has produced a sketch showing an office of R1 which is not the property of the Corporate Debtor. Entrance to the office is from the main gate.

The Applicant denies this fact.

Applicant is directed to submit sketch showing the location of the office of R1 and entrance to the office.

Applicant is directed to serve the copy of the application afresh on the mail of the Counsel for the Respondent today itself.

**IA/1295(CHE)/2024**

Present: Shri. Manoj Menon, Ld. Counsel for the Applicant/Suspended Director.

Shri. T. Ravichandran, Ld. Counsel for Canara Bank/R1.

Shri. A. Arumugam, Liquidator/R2 in person.

Heard.

This application has been filed by the Promoter-Directors seeking directions to the Liquidator to vacate the property and hand over the possession to the Applicant.

Ld. Counsels for the Respondents seek and are granted two weeks time to file reply and serve copy on the Counsel for the Applicant.

Rejoinder, if any, be filed within two weeks thereafter.

During arguments, It is submitted on behalf of the Liquidator and Canara Bank that the property belongs to the Corporate Debtor. This fact also appears in the financials submitted by the Corporate Debtor.

Ld. Counsel for the Applicant per contra submits that the land/property belongs to the Applicant. Even in the revenue record, it is in the name of the Applicant.

**IA/869(CHE)/2023**

Present: Shri. P. Stephenraj, Ld. Counsel for the Liquidator.

Shri. A. Arumugam, Liquidator in person.

Shri. Manoj Menon, Ld. Counsel for the Respondents.



This application has been filed seeking the following reliefs:

- a) *Direct the Respondent No.1 (R1) to return the amount of Rs.79,43,810 along with an interest @ 12% p.a. and deposit the same to the CD's Liquidation account in Canara Bank, Rajapalayam Branch 2 CA Account Number 60021010011066 and IFSC code – CNRB0016271.*
- b) *To direct the Respondent No.2 (R2) to return the amount of Rs.56,80,120 along with an interest @ 12% p.a. and deposit the same to the CD's Liquidation account in Canara Bank, Rajapalayam Branch 2 CA Account Number 60021010011066 and UFSC code – CNRB0016271.*
- c) *To pass such other orders or further orders in this regard as this Hon'ble Tribunal may deem fit and proper and thus render justice.*

Pleadings are complete.

Ld. Counsels for the parties are directed to file short synopsis of arguments not exceeding three pages.

**IA/2071(CHE)/2023**

**IA/2073(CHE)/2023**

Present: Shri. Manoj Menon, Ld. Counsel for the Applicant/Suspended Director.

Shri. P. Stephenraj, Ld. Counsel for the Liquidator.

Shri. T. Ravichandran, Ld. Counsel for R1.

This application has been filed restraining Mr. A. Arumugam from acting as Liquidator till the pendency of the application to remove him as Liquidator.

Ld. Counsel submits that despite the orders of Hon'ble NCLAT and NCLT whereby it was directed to run the company as a going concern, the Liquidator splitted the sale in parts by issuing sale auction notices for the land, building and machinery respectively.

The Liquidator submits that prior to issuing the above auction notices, e-auction sale notices were issued 12 times for sale of the company as a going concern but no bidder came. It was resolved by the SCC to sell the company in piecemeal.

Matter is stated to be coming for hearing before the Hon'ble NCLAT on 29.07.2024.

**IA(IBC)/1500(CHE)/2024 IN IA/485/2022**

**IA(IBC)/1504(CHE)/2024 IN IA/485/2022**

Present: Shri. Manoj Menon, Ld. Counsel for the Applicant/Suspended Director.

Shri. T. Ravichandran, Ld. Counsel for Canara Bank/R1.

Shri. A.G. Sathiyarayan, Ld. Counsel for successful bidder.

These applications have been filed for setting aside the e-auction conducted on 14.06.2024 and to restrain the Liquidator from confirming the sale and executing the sale certificate in favour of the successful auction purchaser in respect of sale of land admeasuring 86,437 Sq.ft., [1 Acre and 98.25 cents] comprised in T.S. Nos. 16/1A, 16/1B, 16/2, 18, 19/1, 19/3, 19/4, 24, 25/1 part and 25/2, situate at T.S. Ward No. B, Block No. 19, Municipal Ward No. 5 (Old Ward No.3) bearing Door Nos. 18A, B, C, D & 19, Pugazhendhi Road, Cotton Market, Rajapalayam – 626117.

Ld. Counsel Shri. A.G. Sathiyararayana submits that the Applicant has no right to file this application. Before this action, e-auction was conducted for 1<sup>st</sup> time for sale as a going concern but no bidder came. He submits that the successful bidder is willing to purchase the land 'as and where is basis' fully knowing that case is pending in the civil court.

Next date before the Hon'ble NCLAT is stated to be 29.07.2024.

Reply filed by R1.

Other Respondents are directed to file their reply within a week.

Rejoinder, if any, be filed within one week thereafter.

**IA(IBC)/1552/2024**

Present: Shri. Manoj Menon, Ld. Counsel for the Applicant/Suspended Director.

Shri. T. Ravichandran, Ld. Counsel for Canara Bank/R1.

This application has been filed seeking the following the reliefs:

- i) *Order for Interim Injunction restraining the Liquidator from conducting the E-Auction in respect of Sale of the land admeasuring 86,437 Sq.ft., [1 Acre and 98.25 cents] comprised in T.S. Nos. 16/1A, 16/1B, 16/2, 18, 19/1, 19/3, 19/4, 24, 25/1 part and 25/2, situate at T.S. Ward No. B, Block No. 19, Municipal Ward No. 5 (Old Ward No.3) bearing Door Nos. 18A, B, C, D & 19, Pugazhendhi Road, Cotton Market, Rajapalayam – 626117 owned by the Applicant; and*
- ii) *Pas such further or other orders as this Hon'ble Tribunal may deem fit and proper in the circumstances of the case and thus render justice.*

Applicant is directed to serve the copy of the application on the Respondents.

Reply be filed within a week.

Rejoinder, if any, be filed within one week thereafter.

**Till then, the Liquidator is directed not to issue sale certificate in favour of the successful auction purchaser.**

Liquidator is directed to deposit the amount received from the auction purchaser in an interest bearing account.

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List all the applications for hearing on **05.08.2024 at 2.30 P.M.**

Pleadings be completed before the date fixed.

**Sd/-**  
**VENKATARAMAN SUBRAMANIAM**  
**MEMBER (TECHNICAL)**

**Sd/-**  
**SANJIV JAIN**  
**MEMBER (JUDICIAL)**

vs