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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED:11.08.2021

CORAM :

THE HON'BLE MR.SANJIB BANERJEE, CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE P.D.AUDIKESSAVALU

W.P.No.17319 of 2020

1. Chennai Chengulpet Tannery
and Footwear General Workers Union (Tannery
A Unit) NO.10/39 AL Mudaliar 1st Street
Nehru Nagar Velachery Chennai- 600 042.
Represented by MR.S.Kumaradasan
2. Tamil Nadu All Workers Union
Full Shoe Unit No.226 Muthallamman Koil
Street Condonment Pallavaram
Chennai - 600 043
Represented by Mr.Kumar.
3. Unit Workers Committee
O.V.Azagesan Street Ozhaur Vembakkam Via
Chengalpet Kancheepuram - 603 111
Rep by Ms.D.Vaithegee.
4. Chennai Chengulpet Tannery and Footwear
General Workers Union (Wet Blue
Godown Unit) No.10/39 AL Mudaliar 1st
Street Nehru Nagar Velachery
Chennai- 600 042
Represented by Mr.S.Kumaradasan
5. Viduthalai Seeruthai Munnani
(Conceria Virginia Chennai) No.8 Nehru
Street Magelkeni Chrompet Chennai- 600 044
Represented by Mr. Vanangamudi. ...Petitioners

Vs

1. The Deputy Registrar
National Company Law Tribunal
Chennai.
2. The Liquidator of Forward Shoes
(India) Private Limited Acting through
Kavitasurana having its registered office
at No.37 Raja Muthiah Road Periamet
Chennai- 600 003.



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J M Financial Asset Reconstruction Company
Private Limited Committee
of Creditors of Forward Shoes (India)
Private Limited Having its office at 7
Cnergy Appasaheb Marathe Marg,
Prabhadevi Mumbai 400 025

... Respondents

Prayer: Petition filed under Article 226 of the Constitution of India for issuance of a Writ of Certiorarified Mandamus calling for the records of the auction notice dated 31.10.2020 published by the 2nd Respondent in Case no. TCP.NO.205/IB/2017 pending before the 1st Respondent Tribunal and quash the same as illegal and consequently direct Respondents 2 and 3 not to proceed with any action pursuant to the said auction pending final disposal of Application Nos.M.A.Sr.No.593 594 of 2019 in TCP.NO.205/IB/2017 and thereby render Justice.

For Petitioners : Mr.V.Prakash,
Senior Counsel,
for M/s.Deepika Murali

For Respondents : Mr.E.Om Prakash,
Senior Counsel,
Assisted by Mr.S.Sathiya Narayanan,
for second respondent

Mr.Sathish Parasaran,
Senior Counsel,
Assisted by Mr.Sukumar,
for third respondent
Mr.K.Ramanamoorthy,
CGSC for R1
Mr.Karthik Seshadri
for M/s.Abhinav Seshadri,
for implead W.M.P.No.2193 of 2021

ORDER
(made by the Hon'ble Chief Justice)

The matter pertains to a claim by the workmen of a company that is now gone into liquidation before the National Company Law Tribunal ('NCLT', for short) upon the corporate insolvency resolution process having failed.

2. The petitioners claim that the management of the corporate debtor had entered into an agreement with them for payment of their dues upon the sale of a property; but the petitioners were left in the lurch when the company was subjected to insolvency proceedings and the relevant property



was attempted to be sold by the resolution professional. The grievance also pertains to the property having been sold at a gross undervalue.

3. Since the liquidation proceedings are pending and there appear to be several other applications before the NCLT, this extraordinary jurisdiction should not have been invoked for a limited aspect of the matter to be decided herein. Indeed, it would cause embarrassment to the NCLT if a part of the matter was carved out and decided in the present proceedings.

4. Accordingly, W.P.No.17319 of 2020 is disposed of without going into the further merits thereof and by leaving the petitioners free to urge all grounds before the NCLT. Similarly, it will be open to the respondents to raise all objections to the petitioners' claim in accordance with law.

5. There is an interim order subsisting that restrains the disbursement of the proceeds received from the sale of the relevant property. Such order will continue for a period of four weeks, subject to any earlier order of the NCLT. There will be no order as to costs. Consequently, W.M.P.Nos.15043, 2193 of 2021 and 21423, 21427 and 21430 of 2020 are closed.

Sd/-

Assistant Registrar(CS VI)

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Sub Assistant Registrar

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To

1. The Deputy Registrar
National Company Law Tribunal
Chennai.

2. The Liquidator of Forward Shoes
(India) Private Limited Acting through
Kavitasurana having its registered office
at No.37 Raja Muthiah Road Periamet
Chennai- 600 003.

+1CC to M/s.Deepika Murali, Advocate, Sr.No.39714

W.P.No.17319 of 2020

VBM (CO)

K.RK. (13.08.2021)