

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
SPECIAL BENCH, CHENNAI**

IA/362/2020 in CA/61/2017 in CP/510/IB/2017
(Filed under Sec. 35(n), Sec. 60(5) of Insolvency and Bankruptcy Code,
2016 read with Regulation 44(2) of Insolvency and Bankruptcy Board of
India (Liquidation Process) Regulations, 2016 & Rule 32 and 11 of NCLT
Rules, 2016)

In the matter of **M/s. Veasons Energy Systems Private Limited**

R Raghavendran
Liquidator of
M/s. Veasons Energy Systems Private Limited
Flat No.3, Dhruvatara Apartments,
241,Dr. Rajendraparasad Road,
Tarabad,
Coimbatore - 641 012

.. .. Applicant / Liquidator

Present:

For Liquidator : B. Dhanaraj, Advocate

CORAM :

R. SUCHARITHA, MEMBER (JUDICIAL)
ANIL KUMAR B, MEMBER (TECHNICAL)

Order Pronounced on 13th November 2020

ORDER

Per: ANIL KUMAR B, MEMBER (TECHNICAL)

1. The IA/362/2020 has been filed by the Liquidator under Regulation 44 of Insolvency and Bankruptcy of India (Liquidation Process) Regulations, 2016, seeking relief as follows;

- a. *That this Hon'ble Adjudicating Authority may be pleased to pass an order by extending the Liquidation for a further period of one year; and*
- b. *To pass such other orders or further orders which may deem fit and proper in the interest of justice.*

2. It is averred in the Application that the Corporate Debtor has filed an Application under section 10 of Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'IBC, 2016') seeking for initiation of Corporate Insolvency Resolution Process (CIRP) in relation to the Corporate Debtor and this Tribunal vide order dated 19.06.2017 in CP/510/IB/2017 initiated the CIRP in relation to the Corporate Debtor and appointed one Mr. S. Srinivasan as the Interim Resolution Professional (IRP).

3. It is submitted that in the 5th CoC meeting held on 20.02.2018, since no viable and suitable Resolution Plans was received, the CoC unanimously resolved to liquidate the Corporate Debtor with 100% majority and accordingly the Applicant filed CA/61/IB/2017 before this Tribunal under Section 33(2) of IBC, 2016 and this Tribunal vide order dated 19.03.2018 ordered for Liquidation of the Corporate Debtor and the appointed the Applicant herein as the Liquidator.



4. The Ld. Counsel for the Applicant submitted that after the receipt of the Liquidation order, the Applicant issued Public Announcement in Form B dated 24.03.2018 in one issue of English "The Hindu", Trichy and Chennai Edition and that of the Tamil in "Daily Thanthi" at Trichy Edition and fixed the last date for submission of the claim as 18.04.2018. The Ld. Counsel for the Applicant further submitted that the Liquidator has also appointed two Valuers for the valuation of Land and Building of the Corporate Debtor and other two Valuers for valuation of Plant and Machinery, furniture, fixture, office equipments, vehicles, stores and inventory of the Corporate Debtor and as such the First Assets Valuation Report was submitted during May 2018.

5. The Ld. Counsel for the Applicant submitted that since the Management of the Corporate Debtor did not co-operate with the Liquidator, the Applicant filed MA/54/IB/2018 and MA/122/IB/2018 and this Tribunal vide order dated 08.11.2018 has also directed the Respondents to extend their co-operation to the Liquidator and as such, it was submitted there was a delay in finalizing the accounts and preparation of the Preliminary Report and Asset Memorandum by the Liquidator. It was submitted by the Ld. Counsel for the

Applicant that the Liquidator has received a total of 368 claims and also filed its stakeholders report before this Tribunal on 27.11.2018.

6. The Ld. Counsel for the Applicant submitted that the Liquidator has filed CA/114/IB/2018, CA/132/IB/2018, MA/67/IB/2019, MA/937/IB/2019, MA/953/2019, MA/140/2019 and MA/661/2019 which are all pending adjudication before this Tribunal. Further, it was submitted that major part of the assets, land and building, Plant and Machinery at Unit 4 in Plot A/1-A-f and in Plot R1 of Thuvakudi Industrial Estate and other miscellaneous assets are yet to be sold and realised by the Liquidator and as such, there arises a necessity to continue with the Liquidation process of the Corporate Debtor.

7. It is to be noted here that the Regulation which was prevalent at the time of passing the Liquidation Order mandates the Liquidation process to be completed within a period of 2 years and as such the liquidation process in relation to the Corporate Debtor is required to be completed on or before 18.03.2020. However, the Liquidator being not in a position to complete the process and under the circumstances, the Liquidator has filed the present

Application under Regulation 44(2) of IBBI (Liquidation Process) Regulations, 2016 (*amended upto 15.12.2016*) for continuation of the Liquidation period of the Corporate Debtor for a further period of one year from 19.03.2020. In this context it is relevant to refer to Regulation 44 of IBBI (Liquidation Process) Regulations, 2016 (*amended upto 15.12.2016*)

44. Completion of liquidation.

(1) The liquidator shall liquidate the corporate debtor within a period of two years.

(2) If the liquidator fails to liquidate the corporate debtor within two years, he shall make an application to the Adjudicating Authority to continue such liquidation, along with a report explaining why the liquidation has not been completed and specifying the additional time that shall be required for liquidation.

8. Regulation 44(2) of IBBI (Liquidation Process) Regulations, 2016, which was amended upto 15.12.2016, is taken into consideration for the facts of the present case and it contemplates that if the liquidator has failed to liquidate the Corporate Debtor within two years then he has to make an application to the Adjudicating Authority to continue such liquidation, along with a report explaining why the liquidation has not been completed specifying the additional time that shall be required for completion of the liquidation.



9. The Applicant in the Application has averred that the Liquidator has filed CA/114/IB/2018, CA/132/IB/2018, MA/67/IB/2019, MA/937/IB/2019, MA/953/2019, MA/140/2019 and MA/661/2019 which are all pending adjudication before this Tribunal and further still a major part of the assets, land and building, Plant and Machinery of the Corporate Debtor remains to be sold and realised by the Liquidator and as such, there arises a necessity to continue with the Liquidation process of the Corporate Debtor.

10. It is also significant to note here that after filing of the present Applicant, owing to Covid-19 pandemic and consequent lockdown imposed by the Central / State Government time to time, the present Application could not be taken up for hearing and disposal. In the meantime, the Regulator viz. Insolvency and Bankruptcy Board of India (IBBI) by way of an amendment inserted Regulation 47A in IBBI (Liquidation Process) Regulations, 2016, which states as follows;

Exclusion of period of lockdown.

47A. Subject to the provisions of the Code, the period of lockdown imposed by the Central Government in the wake of

Covid-19 outbreak shall not be counted for the purposes of computation of the time-line for any task that could not be completed due to such lockdown, in relation to any liquidation process.

11. It is to be seen that the Applicant has filed an Affidavit on 06.11.2020 before this Tribunal and has stated that a period of 221 days i.e. from 25.03.2020 till 31.10.2020, is required to be excluded due to lockdown imposed by both Central and State Government.

12. Thus, by taking into consideration all the facts mentioned above, this Authority feels that it is just and proper to extend the Liquidation period for a further period of one year and as such after excluding 221 days due to Covid – 19 lockdown, the Liquidator is directed to complete the Liquidation of the Corporate Debtor on or before 25.10.2021. Further, the Liquidator shall make every endeavour to complete the liquidation process within the extended period and not to seek for any further extension. The Liquidator in view of the extension granted as above, is directed to abide by the model timelines as prescribed by IBBI in Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and thereby complete the process in all earnest and in accordance

with the said Regulations including filing of reports as required,
with this Tribunal.

13. Accordingly, IA/362/2020 stands **allowed** on aforementioned
terms.

-sd-
(ANIL KUMAR B)
MEMBER (TECHNICAL)

-sd-
(R. SUCHARITHA)
MEMBER (JUDICIAL)

Raymond