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

IA/54/CHE/2021 in CP/563/IB/2017

*(Filed under Sec. 35(1)(n) of Insolvency and Bankruptcy Code, 2016
read with Regulation 47-A of Insolvency and Bankruptcy Board of
India (Liquidation Process) Regulations, 2016)*

In the matter of **M/s. Oceanic Edibles International Limited**

Pathukasahasram Raghunathan Raman

Liquidator of

M/s. Oceanic Edibles International Pvt. Ltd.

Ground Floor, Srishas Kamalam Apartment,

No.93, Sivan Koil South Street, Vadapalani,

Chennai – 600 026

.. .. Applicant / Liquidator

Present:

For Liquidator : P.R. Raman, Liquidator

CORAM :

R. SUCHARITHA, MEMBER (JUDICIAL)

ANIL KUMAR B, MEMBER (TECHNICAL)

Order Pronounced on 15th July 2021

ORDER

Per: R. SUCHARITHA, MEMBER (JUDICIAL)

1. The IA/54/CHE/2021 has been filed by the Liquidator under Section 35(1)(n) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 47-A of Insolvency and Bankruptcy of India (Liquidation Process) Regulations, 2016, seeking relief as follows;

- a. *To pass orders extending the Liquidation process of the Corporate Debtor for a further period of ONE YEAR w.e.f. 15/02/2021; and*
- b. *To direct the applicant to proceed with the liquidation process and duly complete the sale of assets of the Corporate Debtor as per the Code, and*
- c. *To pass any other orders or directions to meet the ends of justice as deemed fit and proper.*

2. It is averred in the Application that in an Application filed under Section 7 of Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'IBC, 2016') by an Financial Creditor this Tribunal vide its order dated 12.09.2017 passed in CP/563/IB/2017 has initiated the Corporate Insolvency Resolution Process (CIRP) in relation to the Corporate Debtor viz. M/s. Oceanic Edibles International Limited. Thereafter, the Applicant herein was appointed as the "Resolution Professional" of the Corporate Debtor.

3. It is submitted that this Tribunal vide order dated 10.12.2018 in MA/546/2018 has ordered for the Liquidation of the Corporate Debtor and appointed the Applicant herein as the Liquidator of the Corporate Debtor.

4. The Learned Liquidator submitted that the Liquidator has filed avoidance applications against the erstwhile Director of the



Corporate Debtor and the same is pending adjudication before this Tribunal. Further, it was also submitted that the erstwhile promoters have filed a Scheme under Section 230 of the Companies Act, 2013 before the Liquidator and the said Scheme was rejected by the Liquidator on 20.03.2020. Pursuant thereto, it was submitted that from 23.03.2020 onwards, nationwide lockdown was imposed by the Central / State Governments owing to Covid-19 pandemic and as such due to strict restrictions imposed on the movement of vehicles between districts, it became difficult for the liquidator to carry on with the liquidation process in respect of the Corporate Debtor.

5. The Learned Liquidator further submitted that he has issued Expression of Interest in PAN India Edition of "Business Standard" and "Maalai Malar" on 21.08.2020 and 22.08.2020 respectively, for the sale of the Corporate Debtor as a going concern as per Regulations 33 of the IBBI (Liquidation Process) Regulations, 2016. In response to the same, it was submitted that the Liquidator has received an Expression of Interest from M/s. Chettinad Properties Pvt. Ltd. Further, it was submitted that in the 6th Stakeholders meeting held on 15.12.2020, the status of the Liquidation process was discussed and the strategy of selling the assets of the Corporate Debtor along with the assets of the group concern was also discussed by both the Liquidators



with the stakeholders. Also, in the said meeting, the stakeholders requested the Liquidator to file an Application seeking extension of the Liquidation period for one year. It was also submitted that the Liquidator is regular in filing his report before this Tribunal in accordance with the Rules and Regulations framed thereunder. Under such circumstances, the Learned Liquidator prayed for extension of the Liquidation process for a period of one year from 15.02.2021.

6. Heard the submission made by the Learned Liquidator. From the submission made by the Learned Liquidator it is seen that the Liquidator has evinced interest from one of the buyers M/s. Chettinad Properties Pvt. Ltd. and it is also seen that the avoidance Application filed by the Liquidator MA/1202/2019 is still pending adjudication before this Tribunal. Further, due to the prevailing Covid – 19 pandemic and subsequent lock-down imposed by the Government of India and the State Governments, the Liquidator was unable to complete the Liquidation process of the Corporate Debtor within the time limit prescribed under the Code and in terms of Regulation 44 of the IBBI (Liquidation Process) Regulations, 2016 as was in force as on the date of order of liquidation i.e. 10.02.2018, the Liquidation process has to be completed within 2 (two) years



from the date of such order and as such the Liquidation period of the Corporate Debtor expired on 09.02.2021.

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 09.02.2021. However, the Liquidator not being 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. 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.

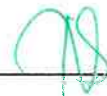
(2) If the liquidator fails to liquidate the corporate debtor within two years, he shall make an application to the Adjudicating Authority to continue such liquidation, along with a report explaining why the liquidation has not been completed and specifying the additional time that shall be required 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 avoidance applications filed by Liquidator are yet to be adjudicated by this Tribunal and till such time the avoidance application is adjudicated, the Liquidation process in relation to the Corporate Debtor cannot be completed. Further, it is also seen that the assets of the Corporate Debtor are yet to be sold. However, this Tribunal feels that extension of the Liquidation period can be granted only for a period of six months and not for one year as sought for in the relief portion.

10. 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 6 (six) months and as such the Liquidation period of the Corporate Debtor is



extended for a period of 6 (six) months from the date of this Order and the Liquidation process in relation to the Corporate Debtor is required to be completed on or before **14.01.2022**. Further, the Liquidator shall make every endeavour to complete the liquidation process within the extended period and not to seek 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. With the above said directions, IA/54/CHE/2021 stands **allowed**.

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

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

Raymond