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

IA/426/CHE/2022 in CP/229/IB/CB/2018

(Filed under Section 60 (5) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 44 and 47A of the IBBI (Liquidation Process) Regulations, 2016, read with, Rule 11 of the NCLT Rules, 2016)

In the matter of ***Liquidator of Shri Veeraganapathi Steels Pvt Ltd***

Mr.Kavitha Surana,
Liquidator of
Shri Veeraganapathi Steels Pvt Ltd,
No.177/2

... Applicant/Liquidator

Order Pronounced on ***13thJuly, 2022***

CORAM:

Justice (Retd) S.RAMATHILAGAM, MEMBER (JUDICIAL)

SAMEER KAKAR, MEMBER (TECHNICAL)

For Applicant : *S.Sathiyanarayanan, Advocate*

ORDER

***Per:* Justice (Retd) S.RAMATHILAGAM, MEMBER (JUDICIAL)**

This application was filed on 08.04.2022 under Section 60 (5) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 44 and 47A of the IBBI (Liquidation Process) Regulations, 2016, read with, Rule 11 of the NCLT Rules, 2016, and seeking relief as follows:

(i) To pass an order extending the time for completion of Liquidation by another 1 (One) year from 12.04.2022 to

11.04.2023 or such other period as this Hon'ble Tribunal may deem fit and appropriate ; and

(ii) Pass such further or other orders/ reliefs as may be deemed fit in the facts and circumstances of the case and thus render justice.

2. It was averred in the Application that this Tribunal vide order dated 26.04.2018 had ordered commencement of CIRP of the Corporate Debtor Viz, Shree Veera Ganapathi Steels Private Limited and the applicant is appointed as the Interim Resolution Professional (IRP) and thereafter Resolution Professional (RP) .

3. It was averred in the Application that the Applicant had filed an application bearing MA/222/2018 for non-cooperation of the Promoter/ Suspended board of Directors for not furnishing the documents and records of the Corporate Debtor.

4. It was further averred in the Application that the Applicant after verifying records and books of the Corporate Debtor identified various fraudulent transactions carried out by the erstwhile management of the Corporate Debtor. With respect to the fraudulent transactions the Applicant has filed Applications (MA/700/2018, MA/701/2018 & MA/702/2018) before this Tribunal and the same is pending before this Hon'ble Tribunal for adjudication. It is further

pertinent to note that some of the movable assets of the Corporate Debtor which includes few cars which were fraudulently transferred by the erstwhile management of the Corporate Debtor are to be recovered by the intervention of this Tribunal through the said Applications.

5. It was further averred in the application that the Applicant also filed an application bearing MA/672/2019 against the erstwhile management of the Corporate Debtor and statutory auditor of the Corporate Debtor seeking directions of this Tribunal for handing over possession of certain movable assets of the Corporate Debtor and tally backups and accounting records of the Corporate Debtor and the application was heard by this Tribunal on 31.03.2022 and the matter is reserved for orders.

6. It was further averred in the application that as per Regulation 33(1) of the IBBI (Liquidation Process) Regulation, 2016, the Applicant initiated steps to sell the assets of the Corporate Debtor through e-auction. Further, the Applicant as mandated under the Code published E-auction Notice for the sale of the assets of the Corporate Debtor. The details of the E auction conducted by the Applicant are placed in a tabulated format in page 4 para 7 of the typed set of the application.

7. It was further averred in the application that the Applicant had also filed several applications against Trade Debtors of the Corporate Debtor before this Tribunal for recovery of amounts due to the Corporate Debtor. This Tribunal heard some of the applications and reserved the matters for orders and few other applications are yet to be adjudicated. Further the Applicant had placed the important dates and events subsequent to the order of Liquidation and the same is annexed at Annexure A of the present application.

8. Heard the submission made by the Learned Counsel for the Liquidator. From the submission made by the Learned Liquidator it is seen that the Liquidator is yet to complete the Liquidation process in relation to the Corporate Debtor and that the distribution of the proceeds to the stakeholders is yet to be completed. 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.

9. It is to be noted here that the Regulation 44 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 11.04.2021. Thereafter, the Applicant had filed an application bearing IA/334/2021 seeking extension of One year and the same was allowed by this Tribunal vide order dated 03.06.2021 and extending the liquidation period till 11.04.2022. 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 for extension of the lockdown period by seeking another one year.

10. Thus, by taking into consideration all the facts mentioned above, this Adjudicating Authority feels that it is just to extend the Liquidation period for a period of **6 Months** from the date of this order. 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.

11. With the above said directions, IA/426/CHE/2022 stands **allowed**.

-Sd-

SAMEER KAKAR

MEMBER (TECHNICAL)

-Sd-

Justice (Retd) S.RAMATHILAGAM

MEMBER (JUDICIAL)

SriramAnanth.V