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

IA/689/CHE/2021 in CP/872/IB/2018

(Filed under Regulation 44(2) and 47A of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 r/w Rule 11& 14 of the National Company Law Tribunal Rules, 2016)

In the matter of M/s Victory Electricals Limited

Shri Chinna Poorna Chandra Rao

Liquidator of Victory Electricals Limited
Flat No 101, TVS Mahathi Apts, Lanco Hills Road,
Opp to Sampoorna Super Market, Behind SR DIGI School.
Manikonda, Hyderabad,
Telengana- 500 089.

... Applicant

Order Pronounced on 4th October 2021

CORAM :

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

For Applicant : A.G. Sathyanarayana, Advocate

ORDER

Per: R. SUCHARITHA, MEMBER (JUDICIAL)

Under adjudication is IA/689/CHE/2021 filed by the Liquidator viz. Shri Chinna Poorna Chandra Rao, in respect of the Corporate Debtor viz. M/s. Victory Electricals Limited under Regulation 44 (2) and Regulation 47A of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016

read with Rule 11 and Rule 14 of the National Company Law Rules, 2016 seeking relief as follows:

"a) That this Hon'ble Adjudicating Authority may be pleased to pass an order of COVID-19 lockdown exclusion Period between 25.03.2020 to 14.07.2021 (i.e.,477 days)

b) That this Hon'ble Adjudicating Authority may be pleased to pass an order extending the Liquidation Timeline for a period of another 6 months from 18.11.2020 and

c) To pass such other orders or further orders which may deem fit and proper in the interest of justice."

2. The Corporate Debtor was ordered for Liquidation by this Tribunal in MA/1144/2019, vide order dated 09.11.2019 and the Applicant herein was appointed as the Liquidator. Thereafter, the applicant had effected public announcement on 28.11.2019 in accordance to Regulation 12 of the IBBI (Liquidation Process) Regulations, 2016 calling for claims of the Creditors of the Corporate Debtor by fixing the last date for receipt of claims as 28.12.2019.

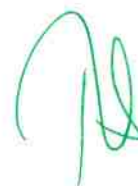
3. It was submitted that, following the public announcement a total of about 13 claims were received by the Applicant Liquidator as mentioned in page 4 of the Application. Further the as per 13 & 34 of the IBBI (Liquidation Process) Regulations, 2016, the



Preliminary Report and the Assets Memorandum was filed by the Applicant on 22.01.2020 before this Tribunal.

4. It was also submitted by the Learned Counsel for the Liquidator that the Stakeholder Constitution Committee (hereafter SCC) was constituted as per Regulation 31A of the IBBI (Liquidation Process) Regulations, 2016 and further opened a Current Account No 6869882322 with Indian Bank, Gachibowli. Further the Applicant Liquidator submits that the First and Second meeting of the SCC was held on 29.01.2020 and 03.10.2020 respectively.

5. It is also submitted by the Learned Counsel for the Applicant that the applicant has been prompt in filing the Quarterly Progress Reports as stated in Para 10 of the Application. Further the Applicant submitted that the e-auction for the list of assets situated in VELA, VEL2 and VEL4 was held for the assets on 18.03.2020, 12.07.2020, 02.08.2020 and 12.03.2021 and the same were sold. The asset VEL1B is pending and yet to be sold owing to a suit restricting the liquidator from selling the same. The Liquidator further submits that he is taking appropriate measures to remove the hurdles and sell the assets.



6. The Learned Counsel for the Liquidator further submits that the following amounts have been distributed to the stakeholders so far;

DATE	TOWARDS	SBI	BoB	TOTAL
30.07.2020	Plant and Machinery	71,00,000		71,00,000
14.09.2020	P-15		530,00,000	530,00,000
03.11.2020	P-15		9,69,000	9,69,000
23.04.2021	Sy no:855	5,02,00,000		5,02,00,000
Total		5,73,00,000	5,39,69,000	11,12,69,000

7. The Learned Counsel for the Liquidator has further submitted that there is a string of material litigation pending against the Corporate Debtor and the details of the same as listed in para 15 of the Application.

8. The Learned Counsel for the Liquidator submits that regardless of all the hurdles faced due to the pending liquidations, the Liquidation timeline under the IBBI (Liquidation Process) Regulations was strictly adhered to by the Liquidator and further due to the unforeseen COVID pandemic lockdown declared by the Central Government from 25.03.2020, caused a delay in the process of the Liquidation as the lockdown was extended from time to time by the state Government of Tamil Nadu and Telangana. Further, it was submitted that there is a delay in the completion of liquidation process owing to the litigations pending against the

Corporate Debtor and it was submitted that the interest of the stakeholders will be seriously prejudiced if the time period of Liquidation is not extended.

9. Heard the submissions made by the Learned Counsel for the Liquidator. It is seen from the averments made in the application, that liquidation in relation to the Corporate Debtor was ordered by this Tribunal on 09.11.2019 and as such the Liquidation period in relation to the Corporate Debtor is required to be completed on or before 09.11.2020. However, it is seen that the present application has been filed by the Applicant before this Tribunal only on 15.07.2021. Further, it is also seen the Applicant has averred in the application due to the lockdown on account of Covid-19 pandemic which was in force from 25.03.2020, the Liquidator was not in a position to file an application for extension/exclusion of the liquidation process.

10. However, taking into consideration the totality of the circumstances, the prayer (b) as sought for extension of liquidation period by 6 months cannot be granted at this stage. The relief as sought for in prayer (a) is granted and the period of lockdown from 25.03.2020 to 14.07.2021 (477 days) is excluded from the Liquidation period and as such the Liquidation process in relation to the Corporate Debtor is required to be completed on or before



01.03.2022. Further, the Liquidator shall make every endeavour to complete the liquidation process within the said period. The Liquidator in view of the exclusion 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, this IA/689/CHE/2021 stands **disposed of.**

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

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

Raymond