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

IA/659/CHE/2021 in CP/1385/IB/2018

(filed under Section 35(1) (n) of the Insolvency and Bankruptcy Code, 2016 Read with Regulation 44 (2) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)

In the matter of M/s. Gokula Kannan Chits Tamilnadu Pvt. Ltd.

Mrs. Revathi S Raghunathan

Liquidator of

M/s. Gokula Kannan Chits Tamilnadu Private Limited

Flat No. 7, 'B' Wing, 3rd Floor,

ParsnManare, 442 Anna Salai,

Chennai – 600 006

... Applicant/ Liquidator

Order Pronounced on 4th October 2021

CORAM:

R. SUCHARITHA, MEMBER (JUDICIAL)

ANIL KUMAR B, MEMBER (TECHNICAL)

For Applicant : V. Manivannan, Advocate

ORDER

Per: R. SUCHARITHA, MEMBER (JUDICIAL)

The above application has been preferred by the Liquidator under section 35(1)(n) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "IBC, 2016") read with Regulation 44(2) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 seeking relief as follows;

- a. to grant an extension of time to continue the liquidation process which ends on 21.12.2020 for further period of one year with the exclusion of the lockdown period;
- b. to pass such other orders as it deems fit in the above circumstances of the case and thus render justice.

2. The Learned Counsel for the Liquidator submitted that the Liquidation was ordered by this Tribunal vide order dated 27.08.2019 and the Applicant herein was appointed as the Liquidator. It was further submitted that the Applicant had made public announcement on 30.08.2019 based on which, the applicant has received claims from various creditors, subsequent to which, upon verification of the claims received, the Liquidator had constituted a stakeholders committee and the list of the same has also been filed before this Tribunal.

3. The Learned Counsel for the Liquidator submitted that the applicant had also appointed two valuers who have valued the assets of the Corporate Debtor and the applicant had also submitted the preliminary report, list of stakeholders, assets memorandum and quarterly progress report before this Tribunal.

4. It was submitted by the Learned Counsel for the Liquidator that the Corporate Debtor's immovable properties were proposed for e-auction on 18.04.2020, however, due to the declaration of National Lockdown, the e-auction got cancelled. Subsequent to

which, again on 16.11.2020 another public announcement was made, for the e-auction dated 30.11.2020 which also resulted in failure despite the efforts taken by the Applicant. It was submitted that again for the third time a public announcement dated 21.04.2021 was made for the e-auction dated 07.05.2021, in which except one, the other four lots of the Corporate Debtor's assets have been sold, subsequent to which the applicant is now in the process of handing over the assets to the successful bidder.

5. The Learned Counsel for the Applicant has also submitted that MA/602/2019 filed by the Applicant against the erstwhile Directors of the Corporate Debtor under Section 66 of IBC, 2016 is pending adjudication before this Tribunal. The Learned Counsel for the Applicant further submitted that the Karur Vysya Bank has lien on the chits for the deposit of Rs. 1,00,00,000, for which the applicant has filed an application before this Tribunal praying for lifting of lien on the deposit by the Deputy Registrar of Chits. However, the Tribunal vide its order dated 25.08.2019 has directed the applicant and the Deputy Registrar of chits to share the beneficiaries details to settle the claims. Accordingly, the applicant has submitted that she is following the same with the Inspector General of Chits. Under such circumstances, the Learned Counsel for the Liquidator has prayed for extension of liquidation period for one year after excluding the lockdown period.



6. 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 27.08.2019 and as such the Liquidation period in relation to the Corporate Debtor is required to be completed on or before 27.08.2020. 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.

7. 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 the Liquidation period of the Corporate Debtor is extended for a period of one year and the Liquidation process in relation to the Corporate Debtor is required to be completed on or before **20.12.2021**. 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.

8. With the above said directions, IA/659/CHE/2021 stands **allowed.**

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(ANIL KUMAR B)
MEMBER (TECHNICAL)

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(R. SUCHARITHA)
MEMBER (JUDICIAL)

Raymond