

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH-II, CHENNAI**

IA/1234/IB/2020 IN TCP/575/IB/CB/2017
filed under Section 35(1)(n) of the IBC,
2016 and Regulation 44 (2) of the
Insolvency and Bankruptcy Board of
India (Liquidation Process) Regulations,
2016

In the matter of M/s. Suryabalaji Steel Private Limited

M.S. Viswanathan, Liquidator
M/s. Suryabalaji Steel Private Limited
Sarada Apartments, 2nd Floor,
Flat No. B3, 17/6, Sringeri Mutt Road,
Chennai-6000028

---Applicant

CORAM :

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

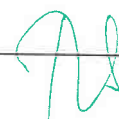
Counsel for Applicant : Shri. V. Manivannan, Advocate

ORDER

Per: R. SUCHARITHA, MEMBER (JUDICIAL)

Order Pronounced on: 05.05.2021

Under adjudication is an application filed by the Liquidator of
M/s. Suryabalaji Steels Private Limited pursuant to Section 35(1)(n)
of the IBC, 2016 and Regulation 44 (2) of Insolvency and Bankruptcy



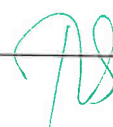
Board of India (Liquidation Process) Regulations, 2016 seeking for an extension of time period of Liquidation which ends on 28.05.2020.

2. The learned Counsel for the Applicant submitted that that this Adjudicating Authority vide its order dated 05.10.2017 ordered commencement of CIRP in respect of Corporate Debtor and subsequently when the matter came up for hearing on 23.10.2017, the applicant was appointed as Interim Resolution Professional by this Tribunal. The Applicant further submits that since the factory was closed and State Bank of India taken over possession of the building, he obtained permission from them and visited the factory on 07.11.2017 along with the appointed Registered Valuers to assess the value of the land and buildings and plant and machineries of Corporate Debtor. As recommended in the 1st CoC meeting held on 24.11.2017, the applicant was allowed to continue as Resolution Professional as per the orders of this Tribunal dated 14.12.2017. The RP advertised in "Business Standard" newspaper for invitation for bids towards expression of interest for submission of resolution to




revive the Corporate Debtor. Since there is no resolution plan has been received, in the 5th CoC meeting held on 04.05.2018, the State Bank of India, the sole Financial Creditor and the CoC, requested the applicant to approach this Tribunal to liquidate the Corporate Debtor under section 33(2) of the IBC, 2016.

3. The Applicant states that this Tribunal vide its order dated 29.05.2018 ordered for Liquidation of the Corporate Debtor by appointing the Applicant herein as Liquidator. Subsequently, the Applicant made a public announcement in Form-B on 13.06.2018 in the newspapers. The applicant further states that he had submitted Preliminary Report, List of Stakeholders and Assets Memorandum. The applicant appointed CA M. Jayasree as Forensic Auditor of the Corporate Debtor as he observed major accounting deviations. Based on the finds of Forensic Audit, the applicant had sent an email dated 23.12.2019 requesting the erstwhile directors to furnish the details of the group concerns to which the funds to the tune of Rs.12.35 crore were transferred as share advance or others and the details of amount returned to the company and on which date the



amount was credited in the company's bank account and also requested to remit the balance outstanding of the above group concerns immediately to the liquidation estate (page 45 to 51 of the application). By way of email dated 03.01.2020, the reply sent by erstwhile directors was not specific about amount returned from the group concerns to which the funds were transferred. Hence the liquidator has decided to initiate legal proceedings under section 66 of the IBC, 2016 to recover funds misused by the erstwhile directors.

4. According to the applicant, with a view to sell the assets of the Corporate Debtor published first 'sale notice' on 23.03.2019 and conducted e-auction on 25.04.2019 in which the applicant was able to sell only the Plant & Machineries for Rs.2.19 Crore as against the reserve price of Rs.2.14 Crore but there was no bidders for the land and buildings. Pursuant to 'second notice' published on 20.09.2019, the applicant could not get any bidders in respect of sale of land and buildings. Since the land is a 'leased land' belonging to SIPCOT which has leased the land for a period of 99 years to the Corporate Debtor, the applicant has taken up the matter with concerned



authorities of the SIPCOT. Though they assured to bring buyers for the land, due to COVID-19 Pandemic situation, the process is getting delayed. Hence, the applicant seeks an order granting extension of time to continue the Liquidation process which ends on 28.05.2020 for a further period of one year with the exclusion of the lockdown period.

5. Upon perusal of documents placed before this Adjudicating Authority, it is seen that this application has been filed on 23.11.2020. As envisaged in Regulation 47A of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, the period of COVID-19 lock down is excluded as follows:

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."

6. Accordingly, we are inclined to grant extension of time to continue the Liquidation process which ends on 28.05.2020 for a



further period of one year i.e. till 27.05.2021 with the exclusion of lock down period.

7. Hence, this application IA/1234/2021 stands allowed.

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

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

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