IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT– I) CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **20.07.2026** THROUGH VIDEO CONFERENCE

CORAM : HON'BLE SHRI SANJIV JAIN, MEMBER (JUDICIAL)
HON'BLE SHRI VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

IN THE MATTER OF : Karur Vysya Bank Ltd
Vs
G V Annai Hospital LLP

MAIN PETITION NUMBER : CP(IBC)/31/CHE/2025

(IA/MA) APPLICATION NUMBERS
IA(IBC)(LIQ.)/25(CHE)2025; IA(I.B.C)/1113(CHE)2026; IA(I.B.C)/1100(CHE)2026

ORDER

IA(IBC)(LIQ.)/25(CHE)2025
IA(I.B.C)/1113(CHE)2026
IA(I.B.C)/1100(CHE)2026

Present: Mr. Gouthaman, Ld. Counsel f or the Applicant / RP.

Vide common order pronounced in the open Court, IA(I.B.C)/1113(CHE)2026 and IA(I.B.C)/1100(CHE)2026 are allowed, granting exclusion of 263 days being the period from 11.10.2025 to 30.06.2026 from the CIRP period and grant extension of 90 days which shall be effective from the date of the order.

Application IA(IBC)(LIQ.)/25(CHE)2025 is dismissed, since it has become infructuous in view of the order passed in the above applications.

-sd-
[VENKATARAMAN SUBRAMANIAM]
MEMBER (TECHNICAL)

-sd-
[SANJIV JAIN]
MEMBER (JUDICIAL)

MS

Date: 20.07.2026

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

IA(IBC)(LIQ)/25(CHE)/2025
IN
CP(IB)/31(CHE)/2025

(filed under Section 33(2) and Section 60(5) of the Insolvency and Bankruptcy Code, 2016)

In the matter of ***G V Annai Hospital LLP***

P. Balasubramanian,
Resolution Professional of
G V Annai Hospital LLP,
Door No. 3 & 4, 157E Ground Floor,
Mahatma Gandhi Road,
Bharathi Nagar, Karur – 639 002.

… Applicant / Resolution Professional

Present:

For Applicant	*: N.P. Vijaykumar, Advocate* *Gowthaman, Advocate*
For CoC	*: Dr. S. Sathiyanarayanan, Advocate*
For Promoter Directors	*: S.R. Rajagopal, Senior Advocate* *Rangasayee, Advocate*

Along with

IA(IBC)/1113(CHE)/2026
IN
CP(IB)/31(CHE)/2025

(filed under Section 60(5) R/w Section 12 of the Insolvency and Bankruptcy Code, 2016 and Rule 11 of NCLT Rules, 2016)

In the matter of ***G V Annai Hospital LLP***

P. Balasubramanian,
Resolution Professional of
G V Annai Hospital LLP,
Door No. 3 & 4, 157E Ground Floor,
Mahatma Gandhi Road,
Bharathi Nagar, Karur – 639 002.

… Applicant / Resolution Professional

Present:

For Applicant : N.P. Vijaykumar, Advocate

Gowthaman, Advocate

Along with

IA(IBC)/1100(CHE)/2026
IN
CP(IB)/31(CHE)/2025

(filed under Section 12(2) and 12(3) of the Insolvency and Bankruptcy Code, 2016 R/w Regulation 40 of the IBBI and Rule 11 of NCLT Rules, 2016)

In the matter of ***G V Annai Hospital LLP***

P. Balasubramanian,
Resolution Professional of
G V Annai Hospital LLP,
Door No. 3 & 4, 157E Ground Floor,
Mahatma Gandhi Road,
Bharathi Nagar, Karur – 639 002.

… Applicant / Resolution Professional

Present:

For Applicant : N.P. Vijaykumar, Advocate

Gowthaman, Advocate

<u>CORAM:</u>

SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

Order Pronounced on 20th July, 2026

<u>O R D E R</u>

(Heard Through Hybrid Mode)

1. The application IA(IBC)(LIQ)/25(CHE)/2025 has been filed seeking the following reliefs.

   i. *Pass an order for the liquidation of the Corporate Debtor G V Annai Hospital LLP, under Section 33(2) of the Insolvency and Bankruptcy Code, 2016.*

   ii. *Appoint the Applicant P. Balasubramanian, as the Liquidator of G V Annai Hospital LLP.*

2. The application **IA(IBC)/1113(CHE)/2026** has been filed seeking the following reliefs:

   i. *Exclude the period of 263 days, being the period from 11.10.2025 to 30.06.2026, from the Corporate Insolvency Resolution Process period of the Corporate Debtor G V Annai Hospital LLP;*

   ii. *Pass such consequential directions as may be necessary to give effect to the exclusion so granted.*

3. The application **IA(IBC)/1100(CHE)/2026** has been filed seeking the following reliefs:

i. *Extend the Corporate Insolvency Resolution Process period of the Corporate Debtor GV Annai Hospital LLP, by a further period of 90 days, reckoned from 01.07.2026, i.e., up to 30.09.2026; E filing No of exclusion application-3305118022212026;*
ii. *Pass such consequential directions as may be necessary to give effect to the extension so granted.*

4. The facts relevant for the disposal of the applications are that the CIRP against the Corporate Debtor G V Annai Hospital LLP, was initiated vide an order dated 15.04.2025. P. Balasubramanian was appointed as the IRP. His appointment was subsequently confirmed as RP. He made the publication and invited the claims from the Creditors. There are two secured creditors i.e. Karur Vysya Bank Limited (88.41% voting) and Siemens Financial Services Private Limited (11.59% voting). He constituted the CoC.

5. During the CIRP, the Applicant / RP faced significant non-cooperation from the suspended Directors of the Corporate Debtor. He filed an application IA/1053/2025 under Section 19(2) of the Code on which on 21.07.2025, the suspended Directors gave an undertaking to cooperate and provide all information and documents

to the RP within two weeks. The application was accordingly disposed of. When the 180 days CIRP period was nearing completion and no viable resolution plan came and the issue of inclusion of the hospital land remained unresolved, the CoC in its commercial wisdom in the meeting held on 04.10.2025 resolved to liquidate the Corporate Debtor. It passed a resolution with 100% voting.

> *"RESOLVED THAT pursuant to Section 33(2) of the Insolvency and Bankruptcy Code, 2016, the Committee of Creditors of GV Annai Hospital LLP ("Corporate Debtor") hereby resolves to initiate the liquidation process of the Corporate Debtor.*
>
> *RESOLVED FURTHER THAT Mr. P Balasubramanian, the Resolution Professional ("RP") appointed for the Corporate Debtor, be and is hereby appointed as the Liquidator of the Corporate Debtor to carry out the liquidation process in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, and other applicable laws and regulations.*
>
> *RESOLVED FURTHER THAT the Resolution Professional be and is hereby authorized to file an application before the Adjudicating Authority (National Company Law Tribunal, Chennai Bench) under Section 33(2) of the Insolvency and Bankruptcy Code, 2016, to obtain necessary orders for the liquidation of the Corporate Debtor.*
>
> *RESOLVED FURTHER THAT the Resolution Professional be and is hereby authorised to do such other acts, deeds, and things as may be necessary or incidental to give effect to this resolution."*

6. It also approved the plan providing for contribution for meeting the difference between the estimated liquidation cost and the estimated value of the liquid asset.

7. It also resolved to explore the possibility of compromise or arrangement as per the Regulations of IBC, 2016 and the Companies Act, 2013 during the period, the application to liquidate the Corporate Debtor is pending before the Tribunal. It accorded the approval for sale of the Corporate Debtor as a going concern under Regulation 32(e) of the Liquidation Regulations, 2016 or sale of the business of the Corporate Debtor as a going concern under Regulation 32(f).

8. The Applicant also placed his written consent to act as a Liquidator in Form AA on 26.09.2025. The Applicant also filed Form H at page 38 to 46 stating that during CIRP, he got conducted the valuation of the land and building, plant and machinery. It is stated that no PUFE application has been filed against the Corporate Debtor.

9. On this application, the Promoter Director filed the reply stating that this application has been preferred without affording an opportunity to the Promoter of an MSME Corporate Debtor. They have preferred

an appeal against the CIRP order before Hon'ble NCLAT. It is stated that the RP has not complied with the IBC procedure and Regulations and has been extinguishing all the prospects of revival, restructuring and rehabilitation of the Corporate Debtor. It is stated that by recent amendment, the option of sale as a going concern has been deleted, thereby, eliminating any possibility for the Corporate Debtor to continue operations post liquidation.

10. The Applicant / RP filed the Rejoinder wherein he stated that the CIRP was conducted in compliance with IBC and CIRP Regulations. Eight CoC meetings were held and for all the meetings, the Promoter Director was issued notice. There was non-cooperation from the Promoter Director throughout the CIRP. The Applicant had continuously pursued the Promoter Director for his consent for the inclusion of the hospital land in the CIRP for attracting viable resolution plan. Despite repeated opportunities, the Promoter Director failed to provide requisite consent. The land ownership issue was the central impediment for the resolution. The hospital building is situated on a land which is not owned by the Corporate Debtor and it is under

lease from the suspended Director which is valid till 2030. The land is mortgaged by the suspended Director to Karur Vysya Bank for the very loan obtained by the Corporate Debtor. KVB also confirmed that inclusion if any would not amount to relinquishment of its charge over the land but it would only facilitate realization of the land value in the CIRP on which the Promoter Director did not provide any requisite consent. It is stated that there is no stay from Hon'ble NCLAT on the order initiating CIRP. The Promoter Director also failed to hand over the books of accounts and the information etc., despite specific directions from the Tribunal. The Financial Creditor Siemens Financial Services Limited insisted in the CoC meeting held on 18.09.2025 that CIRP must be concluded within the stipulated period of 180 days.

11. The Applicant / RP filed another IA/1113/2026 seeking exclusion of 263 days from 11.10.2025 to 30.06.2026 stating that the immovable property i.e. land essential for the revival and value maximization of the Corporate Debtor hospital belongs to the suspended Director which stood exclusively charged in favour of KVB. Only building and equipments belong to the Corporate Debtor. There was no written

consent from the Promoter Director to include the land in the CIRP. Pursuant to the decision of the CoC, the Applicant filed the liquidation application on 11.10.2025. During the hearing on 02.06.2026, the Promoter Directors expressed their willingness to include the land as part of the CIRP. It was thereafter, the CoC in its commercial wisdom decided to go for resolution instead of liquidation. The Tribunal accordingly directed the CoC to convene a meeting, take decision and listed the application on 02.07.2026. In the meantime, amendment in IBBI Regulations came in which Regulation 28A was introduced which became effective on 01.06.2026 enabling the inclusion of the secured asset of the Personal Guarantor in the resolution process with the approval of the CoC. Now KVB being the secured creditor holding charge over the land has conveyed its written consent for inclusion of land in the CIRP.

12. It is stated that on 09.06.2026, CoC meeting was convened which was concluded on 25.06.2026 where CoC with 100% voting resolved to include the land belonging to the Personal Guarantor in the CIRP and authorize the RP to seek exclusion of the litigation period of 263 days

from the CIRP and to file an application seeking extension by 90 days. The copy of the CoC minutes is annexed as Annexure 18. It is stated that now the information memorandum, Form G and RFRP are to be amended and to be reissued.

13. Another application IA/1100/2026 has been filed seeking extension of CIRP period on the grounds mentioned above stating that this is the first extension being sought by the RP. Section 12(2) of the Code permits one time extension upto 90 days on the basis of resolution of the CoC passed by a vote of not less than 66% of the voting shares and in the present case, the resolution has been passed unanimously with 100% voting share. It is stated that 90 days extension is sought from 01.07.2026 being the date appointed by the Tribunal for consideration of the CoC for revival of the resolution process.

14. We have heard the arguments advanced by the Counsels Shri. N.P. Vijaykumar for the RP, Shri. Dr. S. Sathiyanarayanan for the CoC and Senior Counsel Shri. S. R. Rajagopal for the Promoter Directors and perused the record.

15. A perusal of the record and the pleadings reveals that the land on which the hospital building was constructed belongs to the Promoter Director. It was given on lease to the Corporate Debtor upto 2030. The Promoter Director in the capacity of personal guarantee had mortgaged the land in favour of the Financial Creditor of the Corporate Debtor Karur Vysya Bank and it has charge over the said land. Because of the default committed by the Corporate Debtor in repayment of the loan amount, CIRP was initiated against the Corporate Debtor vide an order dated 15.04.2025. There was continued non-cooperation from the Promoter Director of the Corporate Debtor which is an MSME. The Promoter Director was time and again impressed upon to include his land in the CIRP Resolution Process but he avoided. The CoC after considering the conduct of the Promoter Director, in the meeting held on 11.10.2025 resolved to liquidate the Corporate Debtor since the statutory period of 180 days period of CoC was going to expire. The Liquidator accordingly filed the application for the liquidation of the Corporate Debtor. The suspended Director objected to the liquidation through his reply dated 17.03.2026 and later vide letter dated 02.06.2026 expressed his willingness to include the

land in the CIRP. On the directions of the Tribunal, CoC meeting was convened. The CoC also decided to go for the resolution instead for liquidation. In the meantime, amendment in the Regulations came on 01.06.2026 which enabled the inclusion of secured asset of the Personal Guarantor in the resolution process. The CoC meeting was held on 09.06.2026 and the CoC with 100% voting in the meeting which concluded on 25.06.2026 resolved to include the land of the suspended Director in the CIRP and to go for the CIRP. A resolution to this effect was passed where it was also resolved to seek exclusion of the time taken in litigation.

16. It is relevant to reproduce the resolution passed in the 10th CoC concluded on 25.06.2026.

> ***To approve for inclusion of land in the corporate insolvency resolution process of the corporate debtor.***
>
> *"RESOLVED THAT pursuant to the Regulation 28A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and applicable provisions of Insolvency and Bankruptcy Code, 2016 and thereof, the consent of the Committee of Creditors is hereby accorded for the inclusion of the property comprised of commercial land measuring 53 cents (approximately 23,562 square feet) situated at Survey No. 459/5B1B, Villapakkam Village, Arcot-Arani Main Road, Arcot, Ranipet District, standing in the name of Mr. Balaji Loganathan (Suspended Partner) and exclusively mortgaged in favour of Karur*

Vysya Bank, in the Corporate Insolvency Resolution Process of the Corporate Debtor.

RESOLVED FURTHER THAT, the Resolution Professional be and is hereby authorized to amend and re-issue the Information Memorandum, Form G, Request for Resolution Plans and all other process documents to reflect the inclusion of the said asset.

RESOLVED FURTHER THAT, the consent of the Committee be and is hereby accorded to authorize Mr. P Balasubramanian, the Resolution Professional of the Corporate Debtor, to file necessary application with the Adjudicating Authority and to do such other acts, deeds, and things, as may be necessary, to give effect to this resolution.

RESOLVED FURTHER THAT the costs incurred to give effect to this resolution shall form part of Insolvency Resolution Process Costs."

<u>To approve the exclusion of 265 days' period from corporate insolvency resolution process</u>

"RESOLVED THAT pursuant to applicable provisions of the of Insolvency and Bankruptcy Code, 2016 and IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Committee of Creditors be and hereby accords its approval to exclude the period of 265 days from the date of filing application for initiation of Liquidation i.e., October 11, 2025 to July 02, 2026, the date of next hearing before Adjudicating Authority, from the Corporate Insolvency Resolution Process Period.

RESOLVED FURTHER THAT, the consent of the Committee be and is hereby accorded to authorize Mr. P Balasubramanian, the Resolution Professional of the Corporate Debtor, to file necessary application with the Adjudicating Authority and to do such other acts, deeds, and things, as may be necessary, to give effect to this resolution.

RESOLVED FURTHER THAT the costs incurred to give effect to this resolution shall form part of Insolvency Resolution Process Costs."

To approve the extension of 90 days' period of the corporate insolvency resolution process

"RESOLVED THAT pursuant to Section 12 (2) of Insolvency and Bankruptcy Code, 2016 read with Regulation 40 (1) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and other applicable provisions, the Committee of Creditors be and hereby accords its approval to file necessary application before the Adjudicating Authority for seeking extension of the Corporate Insolvency Resolution Process period beyond One Hundred and Eighty Days (after excluding the period allowed to be excluded by the Adjudicating Authority) by another Ninety days, from October 26, 2025.

RESOLVED FURTHER THAT the consent of the Committee of the Creditors be and is hereby accorded to authorize Mr. P Balasubramanian, the Resolution Professional of the Corporate Debtor, to file necessary application with the Adjudicating Authority and to do such other acts, deeds, and things, as may be necessary, to give effect to this resolution.

RESOLVED FURTHER THAT the costs incurred to give effect to this resolution shall form part of Insolvency Resolution Process Costs.

17. Regulation 28A which came into effect on 01.06.2026 reads as follows:

"28A. Transfer of assets of guarantor taken into possession.

(1) In accordance with section 28A, where a creditor of the corporate debtor has, prior to or during the corporate insolvency resolution process, taken possession of any asset of a personal guarantor or corporate guarantor of the corporate debtor, the resolution professional may place the proposal for permitting transfer of such asset as part of its insolvency resolution, before the committee.

(2) The proposal placed before the committee shall contain-

(a) a detailed description of the asset; and

(b) the estimated realisable value of the asset as determined by the registered valuer appointed by the creditor transferring the asset or as determined during the corporate insolvency resolution process or liquidation process or the insolvency resolution process for personal guarantors to corporate debtor or the bankruptcy process for personal guarantors to corporate debtor, as the case may be; and

(c) consent of the creditor for transfer of the asset;

or

the proof of approval of the meeting of creditors or the committee, of the personal guarantor undergoing insolvency resolution process bankruptcy process, as the case may be, or the corporate guarantor undergoing corporate insolvency resolution process or liquidation process, as the case may be, permitting the transfer of the asset.

(3) Where approval is granted by the committee of the corporate debtor permitting the transfer of such asset as part of its insolvency resolution, the resolution professional shall –

(a) ensure that the proposed transfer is disclosed in the information memorandum;

(b) specify the particulars of such transfer in the request for resolution plans; and

(c) ensure that the terms of the resolution plan provide for treatment of proceeds in the manner provided in sub-section (3) of section 28A.

(4) While considering a resolution plan, the committee shall take into account the value of the asset of the guarantor and the treatment provided in clause (c) of sub-regulation (3) above, for adequately safeguarding the interest of all stakeholders including creditors and guarantors.

18. The Karur Vysya Bank with whom the Promoter Director / Personal Guarantor had mortgaged the land has also communicated its approval for inclusion of the land for value maximization and for improving the prospects of viable resolution. RP has stated that he has to modify the information memorandum, Form G and RFRP and it will take about 90 days to complete the process.

19. Hon'ble NCLAT in *Quinn Logistics India Pyt. Ltd. v. Mack Soft Tech Pvt. Ltd. & Ors., Company Appeal (AT) (Insolvency) No. 185 of 2018,* decided on 08.05.2018, has held in paragraph 16 that where an application is filed by the Resolution Professional, the Committee of Creditors or any aggrieved person for justified reasons, it is always open to the Adjudicating Authority to exclude a certain period from the computation of the CIRP period in unforeseen circumstances. Further, the Hon'ble Supreme Court in *Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta & Ors., (2020) 8 SCC 531,* while reading down the word "mandatorily" in the proviso to Section 12(3) of the Code, has held that in appropriate and exceptional cases the time taken in legal proceedings is liable to be excluded, so that the resolution

process may be completed even beyond the outer limit prescribed. The period presently sought to be excluded, having been consumed in the filing and adjudication of the liquidation application and the consequential revival of the resolution process, squarely falls within the principles laid down in the aforesaid judgments, the paramount object of the Code being maximisation of the value of the assets of the Corporate Debtor.

20. Considering the above facts, the resolution, amended Regulation, the time taken in the litigation and the objective of the IBC for the resolution of the Corporate Debtor, we allow the application IA/1100/2026 and IA/1113/2026 granting exclusion of 263 days being the period from 11.10.2025 to 30.06.2026 from the CIRP period and grant extension of 90 days which shall be effective from the date of the order. We dismiss the application IA(IBC)(LIQ)/25(CHE)/2025 since it has become infructuous in view of the order in the above applications.

21. We direct the RP to expedite the process and complete it within the extended time. We also direct the parties to cooperate.

22. In terms of the above order, the applications IA(IBC)(LIQ)/25(CHE)/2025; IA(IBC)/1113(CHE)/2026 & IA(IBC)/1100 (CHE)/2026 are **disposed of**.

Sd/-	**Sd/-**
VENKATARAMAN SUBRAMANIAM	**SANJIV JAIN**
MEMBER (TECHNICAL)	MEMBER (JUDICIAL)