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

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **08.11.2023** THROUGH VIDEO CONFERENCING

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

IN THE MATTER OF : Swastik Spinners (india) Pvt Ltd

MAIN PETITION NUMBER : CP/288/IB/2018

(IA/MA) APPLICATION NUMBERS

IA(IBC)/1805(CHE)2023; IA(IBC)/1806(CHE)2023;
IA(IBC)/1838(CHE)2023; IA(IBC)/1839(CHE)2023

ORDER

Ld. Liquidator Ms. Santhana Lakshmi is present in person. Mr. Ramasway is present for promoter/guarantor.

IA(IBC)/1805(CHE)2023:

2. This Application has been filed for condonation of delay in filing the application for extension of liquidation period.

3. Liquidator present in person submits that as per Regulation 44(1) of the IBBI (liquidation process) Regulations, 2016, the Liquidation should have been completed within a period of 2 years from the liquidation commencement date which expired on 21.02.2020 however, erstwhile Liquidator failed to file application seeking extension. She submits that she was appointed by this Tribunal vide order dated 10.07.2023 and therefore the present application has been filed.

4. It is stated that IA1033/2023 praying for relieving the erstwhile Liquidator and to replace the Liquidator and appoint another Liquidator was allowed on 10.07.2023.

5. It is stated that after taking charge, applicant found that the promoter of the Corporate Debtor namely, Mr. S.V Ramasamy made the repayment of loan outstanding to the sole Financial Creditor (TMB) vide OTS and the loan stood closed on 17.07.2021. The Financial Creditor also sought permission of the erstwhile Liquidator to hand over the title deeds to the Promoter. Letter was also issued vide dated 21.05.2019 giving consent for relinquishing the security interest over the mortgaged asset of the Corporate Debtor to the Liquidator.

6. It is stated that Liquidator vide letter dated 16.12.2021 informed that OTS happened without his knowledge. Thus, he did not give permission to handover the original title documents to the promoter of the Corporate Debtor.

7. It is stated that the erstwhile Liquidator conducted e-auction for the sale of assets of the Corporate Debtor. One M/s. Sri Sivajothi Spinning Mills Pvt Ltd was declared as successful bidder vide letter dated 01.05.2021 however this bid was cancelled vide letter dated 27.05.2021 and the EMD was forfeited since the balance amount was not paid by the successful bidder within the prescribed period.

8. It is stated that from the records it is found that liquidation timeline was not extended. In the meantime, there was a delay of 1296 days in filing the application for extension of liquidation period. It is stated that the applicant is noway responsible for the delay as she was appointed on 10.07.2023.

9. Heard and perused.

10. In the instant case, there was OTS proposal. E-auction was conducted for sale of assets. The bid was cancelled since the successful bidder failed to pay the amount within the prescribed

period. Erstwhile Liquidator was replaced with the new Liquidator on 10.07.2023.

11. Having gone through the reasons stated in the application, we deem it appropriate to condone the delay as prayed for.

12. The delay as prayed for is **condoned.**

13. Accordingly, IA(IBC)/1805(CHE)2023 stands **disposed off.**

IA(IBC)/1806(CHE)2023:

14. This Application has been filed for extension of time to complete the liquidation process of Corporate Debtor by one year from date of appointment of present Liquidator i.e. 10.07.2023.

Having gone through the reasons stated in the application, time period is extended up to 30.06.2024.

15. Accordingly, IA(IBC)/1806(CHE)2023 stands **disposed off.**

IA(IBC)/1839(CHE)2023:

16. This Application has been filed to take on record the 1st Progress Report.

17. The Report is taken on record subject to all just exceptions.

18. Accordingly, IA(IBC)/1839(CHE)2023 stands **disposed off.**

IA(IBC)/1838(CHE)2023:

19. Applicant is directed to serve copy of the application on the Respondent and file affidavit of service.

20. List this Application along with connected matter on **23.11.2023** for hearing.

-sd-

[VENKATARAMAN SUBRAMANIAM]
MEMBER (TECHNICAL)

-sd-

[SANJIV JAIN]
MEMBER (JUDICIAL)

AR