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

**IA/1343/IB/2020 in IBA/439/2019**

*(Filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016  
read with Regulation 44 and 47A of Insolvency and Bankruptcy Board of  
India (Liquidation Process) Regulations, 2016)*

*In the matter of **M/s. Santosh Hospitals India Private Limited***

**Deepa Venkat Ramani**

Liquidator of M/s. Santosh Hospitals Private Limited  
No.40, TNHB Complex,  
No.180, Luz Church Road, Mylapore,  
Chennai – 600 004

*... Applicant*

*Order Pronounced on 1<sup>st</sup> November 2021*

CORAM:

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

*For Applicant : Deepa Venkat Ramani, Liquidator*

**ORDER**

**Per: R. SUCHARITHA, MEMBER (JUDICIAL)**

The IA/1343/IB/2020 has been filed by the Liquidator under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 44 and 47A of Insolvency and Bankruptcy of India (Liquidation Process) Regulations, 2016 seeking relief as follows;

- a. Hon'ble Tribunal may be pleased to exclude the period from 23.03.2020 until 30.09.2020 (i.e., a period of 193 days) for the purpose of computing the Liquidation Period as stipulated under Regulation 44 of the IBBI (Liquidation Process) Regulations, 2016;

- b. Pass such further or other orders as deemed fit by this Hon'ble Tribunal in the interest of justice.

2. It is averred in the Application that this Tribunal vide order dated 04.12.2019 had ordered Liquidation of the Corporate Debtor and appointed the Applicant herein as the Liquidator.

3. The learned Counsel for the Applicant/Liquidator submitted that aggrieved by the aforesaid order of this Hon'ble Tribunal, one of the Promoter Directors Dr. P. Mahalingam had preferred Company Appeal (AT) (Ins.) No.146 of 2020 before the Hon'ble NCLAT, vide its order dated 24.01.2020 was pleased to direct as follows :

During the pendency of the Appeal, the 'Financial Creditor' and the liquidator are directed not to sell the movable and immovable assets of the company and will not transfer or alienate or create any third party interest including lease on movable and immovable property of the 'Corporate Debtor' including the Hospital, in question. The liquidator will ensure that the 'Corporate Debtor' (Hospital) remains a going concern and he may collate the claim and proceed in accordance with law as per the decision of this Appellate Tribunal in "Y.Shivram Prasad vs S.Dhapal&Ors – Company Appeal (AT) (Insolvency) No.224 of 2018 disposed of on 27<sup>th</sup> February, 2019.

4. Thereafter, the above appeal had been listed before the Hon'ble Appellate Tribunal on 18.02.2020 and 05.03.2020. The Hon'ble Appellate Tribunal vide its Order dated 05.03.2020 was please to post the matter for final hearing on merits on

08.04.2020. However, on account of the Covid -19 outbreak, the said matter has not thereafter been listed for an effective hearing before the Hon'ble Appellate Tribunal until date. Even though the said appeal was listed on 08.11.2020 and 07.12.2020 in the cause lists uploaded online, vide notifications issued by NCLAT on its website it was informed that the said matters would not be taken up for hearing.

5. The learned Counsel for the applicant submitted that during such period, the Applicant continued to function in her capacity as the Liquidator of M/s. SHPL and carried out various duties and functions. The relevant dates and major events pertaining to the Liquidation Process of M/s. SHPL from March 2020 until date are set out in the tabulated format at page Nos. 4 to 7 of the application.

6. The Learned Counsel for the Applicant/Liquidator further submitted that based on the relevant dates and events which is tabulated in the application, it is evident that the Liquidator herein has during the period from March 2020, until date:

- a) Attempted to mediate a settlement between the Promoters and M/s. Muthoot Fincorp Limited.
- b) Co-ordinated with various prospective Investors in spite of such Lockdown restrictions and arranged various site visits.

- c) Discussed various proposals for Settlement and its modalities with a prospective Investor.
- d) Co-ordinated with M/s. Greater Chennai Corporation regarding the usage of the Hospital Premises as a Covid containment facility in terms of this Hon'ble Tribunal's Order.

7. The Learned Counsel for the Applicant/ Liquidator further submitted that during such period, the Applicant has coordinated for the Forensic Audit and also filed various Applications before this Hon'ble Tribunal praying for setting aside certain transactions observed to be Preferential and Fraudulent. The Applicant has also represented the Corporate Debtor in certain other Applications filed by M/s. Greater Chennai Corporation and by the Promoters.

8. Heard the submission made by the Learned Counsel for the Liquidator. From the submission made by the Learned Liquidator it is seen that the Liquidator is yet to complete the Liquidation process in relation to the Corporate Debtor and that the distribution of the proceeds to the stakeholders is yet to be completed. Further, due to the prevailing Covid – 19 pandemic and subsequent lock-down imposed by the Government of India and the State Governments and in view of the pendency of the Appeal before the Hon'ble Appellate Tribunal, the Liquidator was unable to complete the Liquidation process of the Corporate Debtor within



the time limit prescribed under the Code and in terms of Regulation 44 of the IBBI (Liquidation Process) Regulations, 2016.

9. It is to be noted here that the Regulation 44 mandates the Liquidation process to be completed within a period of 1 year and as such the liquidation process in relation to the Corporate Debtor is required to be completed on or before 03.12.2020. However, the Liquidator not being in a position to complete the process and under the circumstances, the Liquidator has filed the present Application under Regulation 44(2) of IBBI (Liquidation Process) Regulations, 2016 for exclusion of the lockdown period.

10. Thus, by taking into consideration all the facts mentioned above, this Authority feels that it is just and proper that the lockdown period is to be excluded from the Liquidation period. However, since only the distribution of proceeds to the stakeholders from the Liquidation account is yet to be completed, this Adjudicating Authority feels that it is just to extend the Liquidation period for a further period of **90 days** and as such the Liquidation period of the Corporate Debtor is extended for a period of **90 days** from the date of this Order and the Liquidation process in relation to the Corporate Debtor is required to be completed on or before **30.01.2022**. 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. With the above said directions, IA/1343/IB/2020 stands **allowed**.

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

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

*Sriram Ananth V*