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

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **25.11.2022 at 02.30 PM** THROUGH VIDEO CONFERENCING

PRESENT: JUSTICE RAMALINGAM SUDHAKAR, HON'BLE PRESIDENT
SHRI. SAMEER KAKAR, MEMBER (TECHNICAL)

IN THE MATTER OF : Sholingur Textiles Ltd

MAIN PETITION NUMBER : CP/1037/IB/2018

(IA/MA) APPLICATION NUMBERS

IA/944(CHE)/2021 IN MA/1192/IB/2019; CP/66/CHE/2021 IN CA/359/CAA/2020; IA/686/IB/2020 IN MA/1192/IB/2019

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202 CP/1037/IB/2018
IA/944(CHE)/2021 IN MA/1192/IB/2019
CP/66/CHE/2021 IN CA/359/CAA/2020
IA/686/IB/2020 IN MA/1192/IB/2019

ORDER

The Liquidator is represented by the Ld. Counsel Mr. Ravi Rajagopalan through video conferencing mode.

It was stated by the Ld. Counsel for the Liquidator that in the order dated 19.10.2022 certain typographical error has crept wherein it has been wrongly stated that IA/944(CHE)/2021 and IA/686/IB/2020 have been reserved for orders.

On verification of the records, it is seen that IA/686/IB/2020 was not heard on 19.10.2022. Hence, list IA/686/IB/2020 on **22.12.2022** for final hearing.

In so far as IA/944(CHE)/2021 is concerned, it is filed seeking extension of Liquidation period of the Corporate Debtor. It is seen that this Tribunal vide its order dated 08.07.2022 has directed the Liquidatorto file a Memo to bring on record, the revised date schedule in the Application, seeking extension of time. Accordingly, a memo has been filed, seeking relief as follows;

a) Grant extension of time for completion of the Scheme Proceeding in CP 66/2021, so that the time to complete the Scheme process is extended by 831 days till 31-Dec-2022, as made out in Table A and Table B hereinabove.

b) Grant such other incidental or additional reliefs as may be deemed fit and proper in the facts and circumstances made out herein.

The Learned Counsel for the applicant in his memo dated 15.07.2022 has presented Table A – Timeline Available And Table –B- Timelines for activities still to be completed and the same has been

averred in paras 2 and 3 of the Memo and the same is reproduced hereunder:

TABLE A – TIMELINE AVAILABLE

S.No	ACTIVITY	TIMELINES
1	Time available for consideration of Schemes under Section 230- 232 under Regulation 2B (2)	90 days (13-Feb-2020 to 13-May-2020)
2	Exclusion under Regulation 47A granted by Hon'ble Tribunal vide Orders dated 25-Jan-2021	128 days (25-Mar-2020 to 31-Jul-2020)
3	Revised period of 90 days after reckoning exclusion	40 days (13-Feb-20 to 24-Mar-20)+50 days (01-Aug-20 to 20-Sep-20)
4	Extension sought for presently is for the period from 21-Sep-2021 onwards till 28-Feb-2022 as the Scheme as approved is presently before this Hon'ble Tribunal	831 days extension of time is now required (From 21-Sep-2020 till 31-Dec-2022) Out of the above 831 days, the period of 656 days (21-Sep-2020 to 09-Jul-2021) has already elapsed and a further time of 175 days (09-Jul-2022 to 31-Dec-2022) would be required

TABLE B – TIMELINES FOR ACTIVITIES STILL TO BE COMPLETED

S.No	ACTIVITY	TIMELINES
1	Consideration of approval of the Scheme by this Tribunal – further time required	31.08.2022
2	Under the Scheme the payments are to be made in tranches with the last tranche being 75 days from date of approval of scheme	15.11.2022
3	Distribution of the same to the stakeholders; Filing Form CAA 6 with the RoC to remove the Company from Liquidation and move it to active state & complete handover formalities	31.12.2022

It was further averred in para 4 of the memo that the Learned Counsel for the applicant has placed reliance in para 17 of the Hon'ble NCLAT Judgement in the matter of ***Y Shivram Prasad vs Dhanapal***

(Company Appeal No. 224 of 2018, dated 27.02.2019) and the para 17 of the judgement is extracted hereunder:

> "17. Normally, the total period for liquidation is to be completed preferably within two years. Therefore, in "S.C. Sekaran v. Amit Gupta & Ors." (Supra), this Appellate Tribunal allowed 90 days' time to take steps under Section 230 of the Companies Act, 2013, In case, for any reason the liquidation process under Section 230 takes more time. It is open to the Adjudicating Authority (Tribunal) to extend the period if there is a chance of approval of arrangement of the scheme."

Taking into consideration the averments made in the Application, we are favourably inclined to allow the present Application and accordingly, the Liquidation period in respect of the Corporate Debtor stands extended till 31.12.2022. Accordingly, IA/944/CHE/2021stands **allowed.**

Sd -

(SAMEER KAKAR)
MEMBER (TECHNICAL)
MS

- Sd -

(JUSTICE RAMALINGAM SUDHAKAR)
PRESIDENT