

**NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH
COURT NO.1**

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
BENGALURU BENCH, BENGALURU, HELD ON 05.11.2019

CAUSE LIST - 2

PRESENT: 1. Hon'ble Member (J), Shri Rajeswara Rao Vittanala
2. Hon'ble Member (T), Shri Ashutosh Chandra

CP/CA No.	Purpose	Sec	Name of Petitioner	Petitioner Advocate	Name of Respondent	Respondent Advocate
CP(IB)No. 101/BB/2018	For hearing IA 573/19	Sec 9 of I&B code 2016	R N Manohar	Agraa Legal Shri	GCL Pvt Ltd	H S Shivadutt Bannanje IRP

ADVOCATE FOR PETITIONER/s: *S. Shri Anand* *RP*

ADVOCATE FOR RESPONDENT/s:

ORDER

Heard Shri S. Shivaswamy, learned Resolution Professional.

I.A.No.573/19 in C.P.(IB)No.101/BB/2018 is disposed of by separate order.

Post the main CP on 26.11.2019.

[Signature]
MEMBER(T)

Puja

[Signature]
MEMBER(J)

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH**

I.A.No.573 of 2019 in
C.P.(IB)No.101/BB/2018
U/s 12 of the IBC, 2016 &
U/r 15 of the NCLT Rules, 2016

Shri Srikantiah Shivaswamy

*Resolution Professional of
M/s.GCL Private Limited
RF4 Royal Block,
Santara Magan Place 1,
Doddakammahalli, Hulimavu,
Bangalore – 560 076.*

- Applicant/Resolution Professional

Date of Order: 5th November, 2019

Coram: 1. Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)
2. Hon'ble Shri Ashutosh Chandra, Member (Technical)

Parties/Counsels Present:

Applicant/Resolution Professional : Shri Srikantiah Shivaswamy

ORDER

Per: Rajeswara Rao Vittanala, Member (J)

1. I.A.No.573 of 2019 in C.P.(IB)No.101/BB/2018 is filed by Shri Srikantiah Shivaswamy (hereinafter referred to as 'Applicant/RP') Resolution Professional of M/s.GCL Private Limited Under Section 12 of the IBC, 2016, U/r 15 of the NCLT Rules, 2016, by inter alia seeking to extend the period of CIRP of the Corporate Debtor, beyond 180 days, for a further period of 90 days i.e., effective from 28th October 2019.

2. Brief facts of the case, as mentioned in the Application, which are leading to filing of the instant Application, are as follows:-

(1) The main Company petition filed by Shri R.N. Manoharan, an Operational Creditor, under Section 8 & 9 of the IBC, 2016, R/w Rule 6 of the I&B (AAA) Rules, 2016 was admitted by this



Adjudicating Authority vide order dated May 1st, 2019 by initiating CIRP, appointing Shri Shivadutt Bannanje (IBBI Registration No.IBBI/IPA-002/IP-N00266/2017-2018/10779 as IRP, imposing moratorium etc.

- (2) Shri Shivadutt Bannanje, after causing Public Announcement on Form A published on 02.05.2019, in the Financial Express and Vishwavani dailies of Bengaluru edition, constituted CoC with Canara Bank as the sole Financial Creditor member with 100% voting share. The 1st CoC meeting was held on 31.05.2019 but voted against retaining IRP as RP. The 2nd CoC meeting was held on 8th July 2019, at the behest of Canara Bank and voted to appoint Srikantiah Shivaswamy as Resolution Professional in place of Mr. Shvadutt Bannanje. The Adjudicating Authority vide its order dated 22nd July issued on 29th July in respect of IA/345 of 2019, confirmed the appointment of Shri Srikantiah Shivaswamy as Resolution Professional to take the matter forward.
- (3) Due to various reasons, the claims received were not verified nor any valuers appointed for valuation of securities/assets of M/s.GCL Pvt. Ltd.. The Resolution Professional after assuming the charge took custody of records from Mr. Shivadutt Bannanje on 01.08.2019 and verified the claims received from creditors. It was found that there were over 28 other unsecured Financial Creditors apart from Canara Bank, hitherto treated as the sole Financial Creditor constituting CoC. After scrutinizing the claims thus received, the RP re-constituted the CoC and convened 3rd meeting on 20.08.2019 to take decision inter alia on the appointment of Valuers.
- (4) The CoC again met on 17th October for 4th meeting and took decision to invite Expression of Interest from Resolution applicants. The CoC members were informed about the urgency to issue notification on form G inviting Expression of Interest from prospective Resolution Applicant. The CoC members were further informed that Invitation for Resolution Plan, Evaluation Matrix and

the Information Memorandum along with other necessary information will be shared with eligible prospective resolution applicant upon identification. Accordingly, a notification on Form G was issued and published in Financial Express/Kannada Prabha of Bengaluru edition dated 23rd October 2019.

- (5) Though CIRP has picked up momentum, it is unlikely to be completed within 180 days, which is ending on 01.11.2019. Therefore, the 4th CoC meeting held on 17.10.2018, have unanimously approved for extension of time and authorized RP to file necessary application before AA seeking extension of time by another 90 days.
3. Heard Shri Srikantiah Shivaswamy, the Resolution Professional. We have carefully perused the pleadings of the party and also extant provisions of IBC, 2016.
4. In pursuant to the initiation CIRP, the Resolution Professional has taken appropriate steps to conclude this CIRP within the stipulated period. However, he could not complete CIRP within 180 days due to the reasons stated supra. The instant Application is filed in accordance extant provisions of Code, and we are convinced that the initial statutory period of 180 days is not adequate to conclude CIRP in question in order to achieve object of the Code. Therefore, it would be just and proper to extend further period of 90 days beyond 180 days as prayed for.
5. In view of the above facts and circumstances of the case, by exercising powers conferred on the Adjudicating Authority, U/s 12(2), R/w Section 60(5) of the IBC Rules, 2016, we hereby disposed I.A.No.573 of 2019 in C.P.(IB)No.101/BB/2018 with the following directions:
- a. It is hereby extended for a further period of 90 days effective from 28th October, 2019 beyond initial period of 180 days to complete the Corporate Insolvency Resolution Process of the Corporate Debtor.



- b. The Resolution Professional is directed to take expeditious steps to finalize the CIRP, without any further delay and to submit progress reports to the Adjudicating Authority and conclude CIRP well before completion of the present extended period. We make it clear that no further extension of time/exclusion of time is permissible under Code.



(ASHUTOSH CHANDRA)
MEMBER, TECHNICAL



(RAJESWARA RAO VITTANALA)
MEMBER, JUDICIAL

Puja