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**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 10.01.2020

**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 19/2020 - CIRP	Sec 9 of I&B code 2016	R N Manohar	Agraa Legal Shri	GCL Pvt Ltd	H S Shivadutt Bannanje RP

S. Shivaswamy

ADVOCATE FOR PETITIONER/s:

9620959256

ADVOCATE FOR RESPONDENT/s:

**ORDER**

Heard Shri Shivaswamy, learned Resolution Professional.

I.A.No.19 of 2020 in C.P.(IB)No.101/BB/2018 is disposed of by separate order.

Post the main CP on **23.01.2020.**



**MEMBER(T)**



**MEMBER(J)**

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

I.A.No.19 of 2020 in  
C.P.(IB)No.101/BB/2018  
U/s 12(3) of the IBC, 2016  
R/w Regulation 30 & 15 of the NCLT Rules, 2016

**Shri Srikantiah Shivaswamy**  
*Resolution Professional of*  
*M/s.GCL Private Limited*  
RF-4, Santara Magan Place,  
Doddakammanahalli, Hulimavu,  
Bangalore - 560 076.

Applicant/ Resolution  
Professional

**Date of Order: 10<sup>th</sup> January, 2020**

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

**Parties/Counsels Present:**

For the Applicant/RP : Shri S. Shivaswamy

**ORDER**

**Per:** Rajeswara Rao Vittanala, Member (J)

1. I.A.No.19 of 2020 in C.P.(IB)No.101/BB/2018 is filed by Shri Srikantiah Shivaswamy, Resolution Professional of M/s.GCL Private Limited (hereinafter referred to as 'Applicant/RP') under Section 12(3) of the IBC, 2016, R/w Regulations 30 & 15 of the NCLT Rules, 2016, by inter alia seeking **to extend the period of the CIRP from 26.01.2020 to 26.03.2020** i.e. by 60 days and allow this application to meet the ends of justice and equity etc.

2. Brief facts of the Application, which are relevant to the question, are as follows:

(1) C.P.(IB)No.101/BB/2018 is filed by Shri R.N. Manohar, U/ss 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 01<sup>st</sup>,



2019 by initiating CIRP, appointing Shri Shivadutt Bannanje as the IRP, imposing moratorium etc. Subsequently, the Adjudicating Authority, vide its order dated July 22<sup>nd</sup>, 2019, allowed the application filed by Canara Bank to change the Resolution Professional of the Corporate Debtor and thus appointed the present RP in place of Shri Shivadutt Bannanje.

(2) It is stated that owing to the unavoidable circumstances and resultant delay in identifying and appointment of new RP, the CIRP slowed down. The claims received were not verified nor any valuers appointed for valuation of securities/assets of GCL Pvt. Ltd during the intervening period. The Resolution Professional after assuming the charge took custody of records from the IRP 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 reconstituted the CoC and convened 3<sup>rd</sup> meeting on 20.08.2019 to take decision inter alia on the appointment of Valuers. The factory of GCL Pvt. Ltd. at Sompura Indl. area had been shut down with all workers laid off since April, 2019 and power supply also disconnected due to non-payment of bills. The security personnel had not been paid their salary thus jeopardizing the safety of Corporate Debtor's assets. The CoC decided to restore essential services of power and security by paying off old dues and open a small office with 2 Ex-employees of GCL Pvt. Ltd. from accounts departments to assist in claim processing besides functioning as Virtual Data Room Centre. The restoration of power was essential to complete the Valuation of securities.

(3) It is stated that the GCL Pvt. Ltd has over 150 vendors/suppliers besides 30 Financial Creditors, 10 other creditors having given substantial advance and over 150 workers/employees. The detailed certification of claims received up to the date of inviting





Expression of Interest was completed and admitted albeit received beyond the stipulated period of 90 days. A few more claims received after EOI have been kept in abeyance for the new management to take call on their status. The CoC again met on 17<sup>th</sup> October for 4<sup>th</sup> meeting and took decision to invite Expression of Interest from Resolution Applicants. Accordingly, a notification was issued and published in Financial Express/Kannada Prabha of Bengaluru edition dated 23.10.2019.

- (4) It is further stated that the 180 days period ended on 28.11.2019 as the order of admission was passed on 01.05.2019. By an order dated 05.11.2019, this Adjudicating Authority was pleased to extend the period of CIRP by 90 days till 26.01.2020.
3. Heard Shri S. Shivaswamy, Resolution Professional. We have carefully perused the pleadings of the party and the extant provisions of the Code.
4. It is settled position of law that once CIRP is initiated, it should be concluded within stipulated time. As per provisions of the Code, there cannot be extension of time for more than 90 days beyond 180 days. And grant of exclusion of time is permitted only on justifiable reasons in a given case by exercising inherent powers of Adjudicating Authority, and it too cannot be claimed as a matter of right. As stated supra, we have already exercised our inherent powers to a grant maximum period permissible under law. Moreover, there is still time available till 26.01.2020 to complete the CIRP. However, in the interest of justice and keeping in mind, the object of Code, we are inclined to exercise our inherent powers to grant Exclusion of Time, instead of Extension of time, as asked for, for the reasons stated by the Applicant, as detailed supra.
5. In the result, I.A.No.19 of 2020 in C.P.(IB)No.101/BB/2018 is hereby disposed of with the following directions:

- a. It is hereby granted further period of 45 days from 26.01.2020 by excluding it from the statutory period of 180+90 days, which was already granted and availed for CIRP of the Corporate Debtor.
- b. The Resolution Professional is directed to take expedite steps to conclude the CIRP of the Corporate Debtor without fail.



**(ASHUTOSH CHANDRA)  
MEMBER, TECHNICAL**



**(RAJESWARA RAO VITTANALA)  
MEMBER, JUDICIAL**

Puja