IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD

IA No.713/2020
In CP (IB) No.530/7/HDB/2019
Under section 12 and 60(5) of the IB Code, 2016.

In the matter of:-
M/s. Divya Jyoti Steels Limited

Mr. Narender Gandhari,
Resolution Professional
M/s. Divya Jyoti Steels Limited
#403, Naina Residency,
Srinivas Nagar (East), Ameerpet,
Hyderabad – 500 028.

...Applicant/RP

Date of Order: 06.10.2020

Parties/Counsel(s) Present:

For the Applicant : Mr. VVSN Raju, Counsel.

Per: K. Anantha Padmanabha Swamy, Member Judicial.

ORDER

1. Under consideration is an interlocutory Application bearing IA No.713 of 2020 filed by the Applicant/Resolution Professional (in short **RP**) in the matter of M/s. Divya Jyoti Steels Limited under section 12 and 60(5) of the Insolvency and Bankruptcy Code, 2016, inter-alia seeking the following relief(s):

   A. Pass an order / direction in respect of extension of CIRP period by 90 days and allowing Resolution Professional/Committee of Creditors to continue CIRP for a further period of 90 days with effect from 24.08.2020.

2. The following are the brief facts of the case as stated by the counsel for the Applicant/RP:

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a) That this Adjudicating Authority admitted the Application filed under section 7 of the IBC, 2016 vide its order dated 20.12.2019 in CP (IB) No.530/7/HDB/2019 and appointed Mr. Narender Gandhari as Interim Resolution Professional (IRP). Subsequently, he was confirmed as Resolution Professional (RP) in the 2nd CoC meeting held on 22.01.2019.

b) That originally the last date for submission of Resolution Plan was on 02.05.2020 but after various extensions considering the nationwide lockdown in view of outbreak of corona virus which was implemented on 25.03.2020, the last date for submissions of the Resolution Plan was 15.07.2020. That even though the Resolution Applicants have submitted their Resolution Plans but due to the travel restrictions in view of COVID-19, the Resolution Applicants are facing hindrances for visiting of the factory of Corporate Debtor which is situated in the state of the Karnataka.

c) The Committee of Creditors has passed a Resolution in their 7th CoC meeting held on 03.08.2020, unanimously voting in favour of the Resolution to extend the CIRP beyond the 180 days to 270 days, which is expiring on 24.08.2020.

> *"RESOLVED THAT the Resolution Professional be and is hereby authorized to approach Hon'ble NCLT for extension of CIRP period from 180 days to 270 days (after deducting the lock-down period) in view of country-wide lock-down in the wake of Covid-19 and subsequent travel restrictions imposed by State Government(s)."*
> *'RESOLVED FURTHER THAT the Resolution Professional be and is hereby authorized to do all such acts, deed and things as may be required in obtaining the extension of CIRP period from Hon'ble NCLT, Hyderabad*

Bench."

d) RP submitted that the present Application is bona fide one and the extension sought for is as provided under Section 12 of Insolvency and Bankruptcy Code, 2016, and to meet ends of justice. Further, no prejudice will be caused to the Parties herein.

3. Heard and perused the record.

4. In this case, the commencement of CIRP was initiated by this Adjudicating Authority vide its order dated 20.12.2019 and period of 180 days was supposed to end on 16.06.2020. However due to outbreak of Covid-19 pandemic and its outfall, the period of 25.03.2020 to 31.05.2020 is excluded after the introduction of Regulation 40C of IBBI (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2020 (CIRP Regulations) was introduced. The relevant Regulation for sake of convenience is extracted as below:

> ***"40. Special provision relating to time-line.***
> *Notwithstanding the time-lines contained in these regulations, but subject to the provisions in the Code, the period of lockdown imposed by the Central Government in the wake of COVID-19 outbreak shall not be counted for the purposes of the time-line for any activity that could not be completed due to such lockdown, in relation to a corporate insolvency resolution process.*

5. In view of the above Regulation, the period from 25.03.2020 to 31.05.2020 stands excluded from computation of CIRP and thus the period of 180 days of CIRP comes to an end on 24.08.2020.

6. In view of the progress made in the CIRP and unanimously voting share of the Financial Creditors in favour of the Resolution passed by the CoC in its 7th CoC meeting held on 03.08.2020, this Adjudicating Authority hereby,

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grants extension of CIRP period in the matter of M/s. Divya Jyoti Steels Limited beyond 180 days by a further period of 90 days w.e.f. 24.08.2020.

7. Accordingly, the present Application bearing IA No. 713/2020 in CP (IB) No.530/7/HDB/2019 is hereby stands disposed of.

K. Anantha Padmanabha Swamy
Member Judicial

Rk/Rathi