IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT - II

I.A. No. 3361 of 2022
IN
CP (IB) No. 2742/(MB) 2019

Under Section 60(5) read with Other relevant provisions and Regulations of the Insolvency and Bankruptcy Code, 2016.

Pravin R. Navandar
Resolution Professional of VOVL Limited
Having address at: D519/520, Neelkanth Business Park, Old Nathani Road, Vidyavihar (West), Mumbai- 400 086

…..Applicant

In the matter of

S Z Deshmukh & Co.

… Financial Creditor

Vs

VOVL Limited

… Corporate Debtor

Order delivered on: 02.12.2022

Coram:

Hon'ble Member (Judicial) : Justice P.N. Deshmukh (Retd.)

Hon'ble Member (Technical) : Mr. Shyam Babu Gautam

Appearances:

For the Applicant : Mr. Gaurav Joshi, Advocate
For the CoC : Mr. Madhav Kanoria, Advocate

ORDER

Per: Shyam Babu Gautam, Member Technical

1. This is an Application filed by the Applicant, Mr. Pravin R Navandar, who is the Resolution Professional (RP) of the Corporate Debtor seeking additional time for completion of the Corporate Insolvency Resolution Process (CIRP) and praying for the following reliefs:
    a. *Pass an order extending the CIRP period of the Corporate Debtor by 180 days from 21st November 2022; and*
    b. *Pass an order for excluding the period during which the present application is pending before this Hon'ble Tribunal from its date of filing till the date of disposal; and*
    c. *Pass such other orders as deemed fit in the interests of justice and equity.*

2. The Corporate Debtor was admitted into CIRP vide **Order dated 8th November 2019** by this Tribunal and appointed the present Applicant as the Resolution Professional (RP) vide Order dated 20th January 2020. The Applicant submits that the CIRP of the Corporate Debtor is at an advanced stage at present. The Applicant has received Resolution Plans from 4 Proposed Resolution Applicants and these are currently being deliberated upon by the Committee of Creditors (CoC). This Application was deemed necessary by the Applicant for the following reasons. The Applicant submits that the Corporate Debtor is *inter alia* engaged in the business of investing in and holding offshore oil and gas assets through its direct and indirect subsidiaries and derives a significant portion of its value and participating interest in the oil and

gas assets held by Videocon Energy Brazil Limited (VEBL), its step-down subsidiary located in Brazil, through a Joint Venture with Bharat Petroleum Ventures BV (BPRL). The Resolution plans received by the Applicant envisage the transfer of VEBL's stake in the joint venture with BPRL and certain other procedural compliances related to issuing notices to BPRL and other contractual counterparties for giving them the opportunity to exercise a Right of First Refusal (ROFR) to match the bids received in the CIRP. It is pointed out that the issuance of the notices for ROFR is a mandatory requirement under the contractual arrangements entered into by VEBL and BPRL which is governed by Brazilian law, and necessary to enable the CoC to effectively assess the viability and feasibility of the resolution plans received for the Corporate Debtor. The Applicant has detailed the events of and the decisions taken in the relevant Meetings of CoC with regard to consideration of the Resolution Plans received.

3. Further, this Application was necessitated since the CIRP period came to an end on **21st November 2022** and the Applicants submit that the Corporate Debtor would be forced into Liquidation in case the period is not extended. It is noted that this Tribunal has already allowed the extension of the CIRP period by 90 days under Section 12 of the Insolvency and Bankruptcy Code, 2016 ("the Code") vide Order dated 31st August 2021 and further extended the same by a period of 90 days till 21st November 2022 vide Order dated 11th August 2022. In view of the abovementioned reasons for seeking extension of the CIRP period, the CoC passed a resolution in the **32nd Meeting of the CoC** held on 27th October 2022 pursuant to which the Applicant filed the instant Application.

4. We have heard the Counsel appearing for the Applicant and note that the CIRP has achieved good progress and has now reached its final stages. On perusal of the relevant documents, it is seen that the CIRP has extended beyond the statutory time limit of 330 days and the Resolution Plans received by the Applicant are yet to be considered by the CoC. Under these circumstances, we find that if the CIRP period ceases on 21st November 2022, the Resolution of the Corporate Debtor would not be successful and it would be subject to the adverse effects of Liquidation. It is an established principle that the Liquidation of the Corporate Debtor ought to be considered as the last resort and it is against the spirit of this Code to allow the Liquidation of the Corporate Debtor if there is a high probability and likelihood of its effective Resolution on extension of the CIRP period beyond the statutory limit of 330 days. The Supreme Court enunciated this principle in the case of ***Committee of Creditors of Essar Steel India Limited Through Authorised Signatory vs. Satish Kumar Gupta and Ors. (2020) 8 SCC 531*** in the following words:

> *"The effect of this declaration is that ordinarily the time taken in relation to the corporate resolution process of the corporate debtor must be completed within the outer limit of 330 days from the insolvency commencement date, including extensions and the time taken in legal proceedings. However, on the facts of a given case, if it can be shown to the Adjudicating Authority and/or Appellate Tribunal under the Code that only a short period is left for completion of the insolvency resolution process beyond 330 days, and that it would be in the interest of all stakeholders that the corporate debtor be put back on its feet instead of being sent into liquidation*

and that the time taken in legal proceedings is largely due to factors owing to which the fault cannot be ascribed to the litigants before the Adjudicating Authority and/or Appellate Tribunal, the delay or a large part thereof being attributable to the tardy process of the Adjudicating Authority and/or the Appellate Tribunal itself, it may be open in such cases for the Adjudicating Authority and/or Appellate Tribunal to extend time beyond 330 days."

5. We are of the opinion that the procedural delays caused due to cross-border negotiations and difficulties of conforming to the legal requirements of multiple jurisdictions, it is reasonable for the Applicant to request time for the due completion of the CIRP. Considering the magnitude of public money at stake and the crucial nature of the business the Corporate Debtor is involved in, we find it just to extend the time period of the CIRP for the benefit of all the stakeholders involved. Accordingly, the period of CIRP is extended from 21st November 2022 for a further period of 180 days ending on 22nd May 2023.

6. In view of the foregoing reasons, we find it fit to allow the Application. With the above observations, I.A. No. 3361 of 2022 is accordingly **allowed** and disposed of.

Sd/-	**Sd/-**
SHYAM BABU GAUTAM	**JUSTICE P. N. DESHMUKH**
(MEMBER TECHNICAL)	**(MEMBER JUDICIAL)**

AN
02.12.2022