

16

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD**

SPECIAL BENCH - COURT 1 (URGENT HEARINGS THROUGH VIDEO CONFERENCE)

PRESENT: HON'BLE SHRI K ANANTHA PADMANABHA SWAMY – MEMBER JUDICIAL

HON'BLE SHRI VEERA BRAHMA RAO AREKAPUDI - MEMBER TECHNICAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 06.10.2020 AT 10:30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA No. 513 ,625, 730 & 731 & 889/2020 in CP(IB) No. 369/10/HDB/2019
NAME OF THE COMPANY	Priyadarsini Ltd
NAME OF THE PETITIONER(S)	Priyadarsini Ltd
NAME OF THE RESPONDENT(S)	
UNDER SECTION	10 OF IBC

Counsel for Petitioner(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

Counsel for Respondent(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

ORDER

IA 730/2020 is listed today for orders. Orders pronounced vide separate order.

IA 513, 625, 731 are taken up today and IA 889/2020 is listed today for admission.

Counsel for Applicant is connected through video conference. Counsel for RP is connected through video conference. Counsel for R1, R2 & R4 is connected through video conference. Counsels for R5, R6 and R7 are connected through video conference. Counsel for R3 is absent. Counters filed. Counsel for Applicant is directed to send another notice to R3.

Put up the matter alongwith all IAs i.e. IA 513, 625, 731 & 889/2020 on 27.10.2020.


MEMBER (T)


MEMBER(J)

Syamala

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD**

IA No.730 of 2020

IN

C.P (IB) No.369/10/ HDB/ 2019

**Application under section 40C of the
Insolvency & Bankruptcy Board of India
(Insolvency Resolution Process for
Corporate Persons) Regulations, 2020.**

**In the Matter of
Messrs Priyadarsini Limited**

Krishna Mohan Gollamudi
(Resolution Professional of Priyadarsini Limited)
Having office at F-26, Raghavaratna Towers
Chirag Ali Lane, Abids
Hyderabad – 500 001.

**.. Applicant/
Resolution Professional**

Date of order: 06.10.2020

Coram:

**HON'BLE SHRI K. ANANTHA PADMANABHA SWAMY,
MEMBER (JUDICIAL)**

and

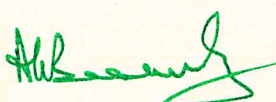
**HON'BLE SHRI VEERA BRAHMA RAO AREKAPUDI,
MEMBER (TECHNICAL)**

Parties / Counsels Present:

For the Applicant : Shri Shabbeer Ahmed, Advocate

**Per: SHRI K. ANANTHA PADMANABHA SWAMY,
MEMBER (JUDICIAL)**

Heard on : 08.09.2020 and 18.09.2020.



ORDER

This application is filed by the applicant/ Resolution Professional under section 40C of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2020, seeking exclusion of the lockdown period from 21.03.2020 to 31.08.2020 in the CIRP of the Corporate Debtor.

2. The Tribunal has admitted the main petition, viz. CP (IB) No.369/ 10/ HDB/ 2019 filed by the Corporate Applicant/ M/s Priyadarsini Limited vide order dated 03.09.2019. The applicant herein has replaced Shri J. Manivannan as IRP vide order dated 12.12.2019 passed in IA No.1125 of 2019 by this Tribunal.

3. AVERMENTS IN THE APPLICATION:

3.1 CIRP period of 180 days has commenced on 03.09.2019 and ended on 01.03.2020. In the meanwhile, the Tribunal has extended the CIRP period for 90 days vide order dated 28.02.2020 in IA No.192 of 2020. Said extended period was to expire on 31.05.2020. It is averred in the IA that Government of India has declared lockdown in the country due to COVID-19 pandemic from 24.03.2020, whereas Government of Telangana has declared lockdown from 21.03.2020, and the IBBI has introduced and inserted Regulation 40C in the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2020. Relying on section 40C of the said Regulations, prays for exclusion of lockdown period from 21.03.2020 to 31.08.2020.

3.2 It is averred in para 7 of the IA that the Resolution Professional had received EoIs belatedly from two or three interested prospective Resolution Applicants, who are willing to submit their Resolution Plans in case CIRP is extended by this Tribunal. If such extension is granted, the interested bidders would get adequate time to submit their Resolution Plans and engage with CoC.

FINDINGS

4. Thus, aggregate period of 330 days as permitted under 2nd Proviso to section 12(3) read with Regulation 40 of the IBBI (CIRP) Regulations, 2016, would have been over by 29.07.2020. However, the applicant seeks





exclusion of lockdown period from 21.03.2020 to 31.08.2020 in CIRP period.

5. CIRP period of 330 days, which ought to have been ended on 29.07.2020 got suspended from 22.03.2020 due to pandemic situation. In the meanwhile, Government of India issued guidelines to lift the lockdown and restrict the lockdown to only containment zones. In view of the above submissions the applicant/ Resolution Professional prayed that orders may be passed keeping the period of lockdown out of the reckoning period of the CIRP of the Corporate Debtor.

6. We have heard the Resolution Professional. This application is filed for exclusion of lockdown period from CIRP. The learned counsel for the Resolution Professional would contend that due to lockdown declared by the Government of India as well as Government of Telangana, CIRP could not be completed.

7. The applicant relied on Regulation 40C of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ('IBBI Regulations' for brevity) and contended that the period of lockdown imposed by the Central Government in the wake of COVID-19 outbreak shall not be counted for the purpose of timeline or any activity that could not be completed due to such lockdown in relation to CIRP.

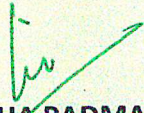
8. The learned counsel contended that the Resolution Professional is filing the present application for exclusion of the lockdown period from 21.03.2020 to 31.08.2020. It is true that there was lockdown due to COVID-19 pandemic imposed in containment zones from 22.03.2020, **not from 21.03.2020** as contended by the applicant. By virtue of Regulation 40C of IBBI Regulations, this period is to be excluded from the CIRP. The exclusion works out as under:

- CIRP commenced on .. 03.09.2019
- 180 days to expire on .. 01.03.2020
- Extended period of 90 days to expire on .. 30.05.2020
- Extension availed: 01.03.2020 to 21.03.2020 .. 21 days
- Unutilised extension due to lockdown .. 69 days
- Exclusion of 69 days from 01.09.2020 ends on .. 08.11.2020

ORDER

9. Thus, CIRP of 270 days should have been completed by 30.05.2020. Actual days lost in the lockdown from 22.03.2020 to 31.08.2020, were 69 days. This period is to be added to CIRP from 01.09.2020. Thus, CIRP is to be completed on or before 08.11.2020. The Resolution Professional is directed to complete the CIRP by 08.11.2020. IA No.730 of 2020 is accordingly disposed of.


VEERA BRAHMA RAO AREKAPUDI
MEMBER (TECHNICAL)


K. ANANTHA PADMANABHA SWAMY
MEMBER (JUDICIAL)

karim