

NATIONAL COMPANY LAW APPELLATE TRIBUNAL, NEW DELHI
Company Appeal (AT) (Insolvency) No. 942 of 2020

IN THE MATTER OF:

Hemant Sharma
Resolution Professional of Global Softech Ltd.

...Appellant

Present:

For Appellant: Mr. P. Nagesh and Mr. Ashu Kansal, Advocates.

O R D E R
(Through Virtual Mode)

02.11.2020: Prayer for exclusion of time as sought by the Resolution Professional of the Corporate Debtor – ‘Golbal Softech Ltd.’ was partially allowed by the Adjudicating Authority (National Company Law Tribunal), Ahmedabad Bench, Ahmedabad, Court 2 in terms of impugned order dated 15th October, 2020. While the Appellant – Resolution Professional had sought exclusion of period of lockdown w.e.f. 25th March, 2020 to 15th September, 2020, the learned Adjudicating Authority allowed exclusion of only 68 days w.e.f. 23rd March, 2020 to 31st May, 2020 on the ground that the lockdown period in the State was declared only for such period. The Adjudicating Authority also took note of the fact that the first 180 days period inclusive of lockdown period had expired on 24th July, 2020. Thus, the application came to be partially allowed.

2. Shri P. Nagesh, Advocate appearing for the Appellant submits that the lockdown restrictions did not terminate on 31st May, 2020 as noticed by the Adjudicating Authority in the impugned order. It is submitted that the

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Registered Office of the Corporate Debtor is located in Union Territory of Dadra and Nagar Haveli and its Corporate Office is situated in the State of Maharashtra, where lockdown restrictions continued till 15th September, 2020 and no business/commercial activities could be undertaken. It is further submitted that two Prospective Resolution Applicants had responded to the Expression of Interest and they wanted some time to file Resolution Plans but imposition of lockdown due to COVID-19 pandemic on 23rd March, 2020 resulting in disruption of commercial activities no progress could be achieved in the Corporate Insolvency Resolution Process. It is submitted that the object of the I&B Code would be defeated if the Resolution Process is allowed to be scuttled for the reasons weighing with the Adjudicating Authority, moreso, as the lockdown restrictions specific to the areas where the Registered Office and Corporate Office of the Corporate Debtor are situated continued upto 15th September, 2020.

3. Annexure A-9 forming page 62 of the appeal paper book is copy of the order passed by the Government of Maharashtra which brings it to fore that the lockdown restrictions were extended in the entire state of Maharashtra till 30th September, 2020. Annexure A-8 forming page 61 of the appeal paper book is an order passed by the U.T. Administration of Dadra & Nagar Haveli and Daman & Diu, which shows that the lockdown restrictions were extended upto 31st August, 2020. Having heard learned counsel for the Appellant and after perusing the

record, we are convinced that the ground projected for exclusion of the lockdown restriction period from 25th March, 2020 till 15th September, 2020 has substance and same deserves to be allowed, so as to make the resolution process meaningful and result oriented. We accordingly allow this appeal and set aside the impugned order with direction that the period commencing from 25th March, 2020 till 15th September, 2020 shall be excluded while computing the period of 180 days for the purpose of bringing the Corporate Insolvency Resolution Process to its logical conclusion. To remove any ambiguity, it is clarified that the extended period of 90 days beyond 180 days shall commence only after the prescribed period of 180 days after exclusion of aforesaid period in terms of this judgment is over. Appeal alongwith I.A. Nos. 2563/2020, 2564/2020 and 2565/2020 stands disposed of.

4. A copy of this order be sent to the Adjudicating Authority (National Company Law Tribunal), Ahmedabad Bench, Ahmedabad, Court-2 for information and necessary action.

[Justice Bansi Lal Bhat]
Acting Chairperson

[Justice Anant Bijay Singh]
Member (Judicial)

[Dr. Ashok Kumar Mishra]
Member (Technical)

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