



**THE NATIONAL COMPANY LAW TRIBUNAL
COURT VI, NEW DELHI**

I.A. 4524/2022

IN

Company Petition No. (IB) – 654 (ND) /202

*Under Section 33(2) of the Insolvency and Bankruptcy Code,
2016 for liquidation of the corporate debtor*

In the matter of:

M/s. Sital Leasing and Finance Limited

... Financial Creditor

Versus

M/s. Reliable Finance Corpn Private Limited

...Corporate Debtor

In the matter of:

SATYENDRA SHARMA

Resoltuion Professional

Reliable Finance Corpn Private Limited

...Applicant/RP

Order Pronounced on: 15.11.2022

PATIBANDLA
SATYANARAYAN
A PRASAD
Digitally signed by
PATIBANDLA
SATYANARAYANA PRASAD
Date: 2022.11.15 13:33:56
+05'30'

RAHUL
PRASAD
BHATNAGAR
Digitally signed by
RAHUL PRASAD
BHATNAGAR
Date: 2022.11.16
16:26:46 +05'30'

I.A. 4524(ND)/2022 in IB- 654 (ND)/2021



CORAM:

SHRI.P.S.N. PRASAD, HON'BLE MEMBER (JUDICIAL)

SHRI. RAHUL BHATNAGAR, HON'BLE MEMBER (TECHNICAL)

For the Applicant: Mr. Satyendra Sharma, R.P.

ORDER

PER- RAHUL BHATNAGAR , MEMBER (TECHNICAL)

1. This is an application filed by the Resolution Professional, under Section 33(1) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred as the "Code") for issuance of directions for liquidation of Corporate Debtor, M/s. Reliable Finance Corpn Private Limited.
2. The facts in brief are that the Financial Creditor of the Corporate Debtor, M/s. Sital Leasing and Finance Limited had filed an application under Section 7 of the Code, bearing number IB-654/(ND)/2021, for initiation of Corporate Insolvency Resolution Process (CIRP), against the Corporate Debtor. The said application was admitted by this Tribunal on 04.07.2022, thereby initiating CIRP against the Corporate Debtor and therein, appointing Mohd. Nazim Khan as the

PATIBANDLA
SATYANARAYAN
A PRASAD

Digitally signed by PATIBANDLA
SATYANARAYANA PRASAD
Date: 2022.11.15 13:34:13 +05'30'

RAHUL
PRASAD
BHATNAGAR

Digitally signed by
RAHUL PRASAD
BHATNAGAR
Date: 2022.11.16
16:27:10 +05'30'

I.A. 4524(ND)/2022 in IB- 654 (ND)/2021



Interim Resolution Professional (IRP).

3. Thereafter, the IRP had issued a public announcement in Form-A, which was published in Financial Express (English) and Jansatta (Hindi) both NCR edition on 07.07.2022 and 08.07.2022 respectively, calling on the creditors to submit their claims along with proofs. On receipt of claims and their verification / collation, the Committee of Creditors (CoC) was constituted by the IRP.
4. The IRP prepared a List of Creditors on 23.07.2022 after verification of claims received pursuant to the Public Announcement dated 07.07.2022 & 08.07.2022 in which the last date of receipt of claims was 18.07.2022 and filed the List of Creditors along with the Report certifying constitution of the Committee of Creditors to the this Tribunal on 23.07.2022.
5. The IRP convened the first meeting of Committee of Creditors on 28.07.2022. In the said meeting he expressed his unwillingness to take the assignment as IRP as he was already acting as the RP in the CIRP of M/s. Stellar Investments Ltd wherein the Corporate Debtor, M/s. Reliable

PATIBANDLA
SATYANARAY
ANA PRASAD
Digitally signed by
PATIBANDLA
SATYANARAYANA
PRASAD
Date: 2022.11.15 13:34:29
+05'30'

RAHUL
PRASAD
BHATNAGAR
Digitally signed by
RAHUL PRASAD
BHATNAGAR
Date: 2022.11.16
16:27:36 +05'30'



Finance Corpn Private Limited, was already one of the CoC members with majority voting rights i.e. 76.42% of total voting share. Thereafter, the IRP apprised the CoC members that he had received written consent from Mr. Satyendra Sharma, Insolvency Professional, having registration number as IBBI/IPA002/IP-N00737/2018-19/12260 to act as RP. The Financial Creditor, holding majority (100%) voting right, informed/ proposed to COC to appoint Mr. Satyendra Sharma, as Resolution Professional.

6. The COC members filed an Application bearing I.A. 3765/2022 before this Tribunal to confirm the appointment of Mr. Satyendra Sharma as Resolution Professional in place of Interim Resolution Professional and the same was allowed vide order dated 08.08.2022.
7. That the Applicant/ Resolution Professional received letter dated 13.09.2022 from the Financial Creditor i.e. M/s. Sital Leasing and Finance Limited who was the sole CoC member wherein it was pointed out that the major assets of the Corporate Debtor were in the form of investments and those investments are unquoted investments in some Private Limited Companies or other companies out of which some

PATIBANDLA
SATYANARAYANA
PRASAD

Digitally signed by PATIBANDLA
SATYANARAYANA PRASAD
Date: 2022.11.15 13:35:07 +05'30'

RAHUL
PRASAD
BHATNAGAR

Digitally signed by
RAHUL PRASAD
BHATNAGAR
Date: 2022.11.16
16:28:01 +05'30'



were undergoing CIRP and it transpires that the CoC does not want to bear the CIRP cost further. Hence, COC meeting may be convened for pre mature liquidation of the Corporate Debtor.

8. That upon the receipt of letter dated 13.09.2022, the RP convened the second meeting of Committee of Creditors on 16.09.2022 wherein the Committee of Creditors approved the following Resolution unanimously with 100% voting rights:

“RESOLVED THAT Committee of Creditors of Reliable Finance Corpn Private Limited (Under CIRP) in view of the insufficient Assets of the Corporate Debtor to cover the CIRP and Liquidation Costs hereby approve the Liquidation of Reliable Finance Corpn Private Limited, pursuant to the provisions of Section 33 and other applicable provisions of the Insolvency and Bankruptcy Code, 2016 and Rules and Regulations made thereunder.

RESOLVED FURTHER THAT pursuant to the provisions of Section 34 and other applicable provisions of the Insolvency and Bankruptcy Code, 2016 and Rules and Regulations framed there under and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, Satyendra Sharma (IBBI Regn No: IBBI/IPA-002/IP-N000737/2018-19/12260), Resolution Professional be and is hereby appointed as the Liquidator for the purposes of liquidation of Reliable Finance Corpn Private Limited (Corporate Debtor).

RESOLVED FURTHER THAT pursuant to the provisions of Section 34 and other applicable provisions of the Insolvency and Bankruptcy Code, 2016 and Regulation 4 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and other Rules and Regulations

PATIBANDLA
SATYANARAYA
NA PRASAD

Digitally signed by
PATIBANDLA
SATYANARAYANA PRASAD
Date: 2022.11.15 14:53:02
+05'30'

RAHUL
PRASAD
BHATNAGAR

Digitally signed by
RAHUL PRASAD
BHATNAGAR
Date: 2022.11.16
16:28:27 +05'30'



framed thereunder, the Liquidator so appointed shall be entitled to receive the consolidated remuneration of INR 300,000 plus GST as applicable and out of pocket expenses on actual basis incurred in connection with the performance of duties and this cost shall form part of the liquidation cost.

RESOLVED FURTHER THAT pursuant to the provisions of Section 31, 33 and 34 and other applicable provisions of the Insolvency and Bankruptcy Code, 2016 and Rules and Regulations framed thereunder and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, Satyendra Sharma (IBBI Regn No: IBBI/IPA-002/IP-N000737/2018-19/12260), Resolution Professional be and is hereby authorized to intimate the decision of Committee of Creditors for liquidation of Reliable Finance Corpn Private Limited (Corporate Debtor) to the Adjudicating Authority (Hon'ble National Company Law Tribunal, New Delhi Bench VI) to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.

RESOLVED FURTHER THAT the said Satyendra Sharma (IBBI Regn No: IBBI/IPA-002/IP-N000737/2018-19/12260), being the Liquidator be and is hereby authorised to exercise all the powers as per the provisions of the Insolvency and Bankruptcy Code 2016 to effectively Liquidate the affairs of the Company and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto, for the purpose of giving effect to the winding up of the Company.”

The COC approved the aforesaid Resolution regarding the liquidation of Corporate Debtor by 100% voting power, which left no option with Resolution Professional other than the liquidation of the Corporate Debtor.

9. Pursuant to the provisions of Section 34 of the IBC, 2016, the Resolution Professional has submitted his written

PATIBANDLA
SATYANARAYANA
PRASAD

Digitally signed by PATIBANDLA
SATYANARAYANA PRASAD
Date: 2022.11.15 15:03:01
+05'30'

RAHUL
PRASAD
BHATNAGAR

Digitally signed by
RAHUL PRASAD
BHATNAGAR
Date: 2022.11.16
16:29:16 +05'30'

I.A. 4524(ND)/2022 in IB- 654 (ND)/2021



consent to act as the Liquidator.

10. The Hon'ble NCLAT vide order dated 25.11.2021 in *Company Appeal (AT) (Insolvency) No.470 of 2019 in the matter of Innovative Construventures Private Limited and Anr. Vs Brainer Trade and Fin-Tech Private Limited and Ors.* held that the IBC empowers the Committee of Creditors to liquidate the Corporate Debtor any time after its constitution under Section 21 and before confirmation of Resolution Plan including any time before the preparation of Information Memorandum.

Further, Section 33(2) states as follows: "Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of resolution plan, intimates the Adjudicating Authority of the decision of the committee of creditors [approved by not less than sixty-six per cent. of the voting share] to liquidate the corporate debtor, the Adjudicating Authority shall pass a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1).

Explanation. – For the purpose of this sub-section, it is hereby

PATIBANDLA
SATYANARAY
ANA PRASAD

Digitally signed by
PATIBANDLA
SATYANARAYANA
PRASAD
Date: 2022.11.15 15:03:14
+05'30'

RAHUL
PRASAD
BHATNAGAR

Digitally signed by
RAHUL PRASAD
BHATNAGAR
Date: 2022.11.16
16:30:03 +05'30'



declared that the committee of creditors may take the decision to liquidate the corporate debtor, any time after its constitution under sub-section (1) of section 21 and before the confirmation of the resolution plan, including at any time before the preparation of the information memorandum.”

11. In view of the above, the application is allowed by ordering liquidation of the Corporate Debtor, namely M/s. Reliable Finance Corpn Private Limited with following directions:

- a. That Mr. Satyendra Sharma, the Resolution Professional of the Corporate Debtor, is relieved from the present assignment as Resolution Professional.
- b. That Mr. Satyendra Sharma, holding Registration No. *IBBI/IPA002/IP-N00737/2018-19/12260*, is appointed as the Liquidator in terms of Section 32(1) of the Code;
- c. Registry is directed to communicate this Order to the Registrar of Companies, NCT of Delhi & Haryana and to the Insolvency and Bankruptcy Board of India;
- d. The Order of Moratorium passed under Section 14 of the Insolvency and Bankruptcy Code, 2016 shall cease to have its effect and a fresh Moratorium under Section 33(5) of the Insolvency and Bankruptcy Code

PATIBANDLA
SATYANARAY
ANA PRASAD

Digitally signed by
PATIBANDLA
SATYANARAYANA PRASAD
Date: 2022.11.15 15:03:31
+05'30'

RAHUL
PRASAD
BHATNAGAR

Digitally signed by
RAHUL PRASAD
BHATNAGAR
Date: 2022.11.16
16:30:36 +05'30'



shall commence;

- e. This order shall be deemed to be notice of discharge to the officers, employees and the workmen of the corporate debtor as per Section 33(7) of the Insolvency and Bankruptcy Code, 2016;
- f. The Liquidator is directed to proceed with the process of liquidation in the manner laid down in Chapter III of Part II of the Insolvency and Bankruptcy Code, 2016 and in accordance with the relevant rules and regulations.
- g. The Liquidator shall follow up and continue to investigate the financial affairs of the Corporate Debtor in accordance with provisions of Section 35(1) of the Code.
- h. The liquidator shall also follow up the pending applications for their disposal during the process of liquidation including initiation of steps for recovery of dues of the Corporate Debtor as per law.
- i. The Liquidator shall submit Preliminary Report to the Adjudicating Authority within seventy-five days from the liquidation commencement date as per Regulation

PATIBANDLA
SATYANARAY
ANA PRASAD

Digitally signed by PATIBANDLA
SATYANARAYANA PRASAD
Date: 2022.11.15 15:04:15 +05'30'

RAHUL
PRASAD
BHATNAGAR

Digitally signed by
RAHUL PRASAD
BHATNAGAR
Date: 2022.11.16
16:31:10 +05'30'



13 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016;

- j. Copy of this order be sent to the Financial Creditor, Corporate Debtor and the Liquidator for taking necessary steps;
- k. I.A. 4524 (ND)/2022 filed in IB- 654 (ND)/2021 is disposed of in terms of the aforesaid terms.

RAHUL
PRASAD
BHATNAGAR

Digitally signed by
RAHUL PRASAD
BHATNAGAR
Date: 2022.11.16
16:31:50 +05'30'

(SHRI.RAHUL BHATNAGAR)

MEMBER (TECHNICAL)

PATIBANDLA
SATYANARAY
ANA PRASAD

Digitally signed by
PATIBANDLA
SATYANARAYANA
PRASAD
Date: 2022.11.15 15:05:34
+05'30'

(SHRI.P.S.N. PRASAD)

MEMBER (JUDICIAL)