

**NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**  
**COURT III**

119. I.A. 1873/2021  
MA(IBC)/3844(MB)2019  
IN  
C.P. (IB)/1113(MB)2019

CORAM: SHRI H.V. SUBBA RAO, MEMBER (J)  
SHRI CHANDRA BHAN SINGH, MEMBER (T)

ORDER SHEET OF THE HEARING OF MUMBAI BENCH OF THE NATIONAL  
COMPANY LAW TRIBUNAL ON **26.10.2021**

NAME OF THE PARTIES: INDIA BULLS CONSUMER FINANCE LIMITED  
Vs.

UNION CHAINS AND JEWELLERS PRIVATE LIMITED

SECTION 7 OF INSOLVENCY AND BANKRUPTCY CODE, 2016

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**ORDER**

Counsel for the Resolution Professional, Mr. Ankur Kumar, Counsel for the Applicant, Ms. Bindu Bhatia and counsel for the Respondent no.1, Mr. Sushant Valimbe are present through virtual hearing.

**MA 3844/2019**

The above application is filed by ex-promotor/director for non-cooperation stands disposed of as infructuous in view of filing separate application in I.A. 1873/2021 for liquidation.

**I.A. 1873/2021**

Heard the counsel appearing for the RP. The above application is filed by RP under section 33(2), Section 34(1) & Section 60(5) of the IBC, 2016 read with Regulation 3 of the Insolvency & Bankruptcy Board of India (Liquidation Process) Regulation, 2016 praying the following reliefs;

1. *Be pleased to exclude the period from 24 March 2021 till further orders passed by Hon'ble Supreme Court of India in M.A. 655 of 2021 in Suo Moto Writ Petition No. 03 of 2020 be formally excluded from the calculation of the CIRP timeline of the Corporate Debtor;*
2. *Be pleased to pass order for liquidation of the Corporate Debtor;*

3. *Be pleased to appoint Mr. Ankur Kumar as a Liquidator of the Corporate Debtor;*
4. *Such other relief as this Hon'ble Bench may deem fit and necessary.*

The above relief claimed in clause (1) has become infructuous in view of praying for an order of liquidation under clause (2). Accordingly, the above application is allowed in terms of prayer clause (2) & (3) to the extent of ordering liquidation vide detailed order.

Sd/-  
CHANDRA BHAN SINGH  
Member (Technical)

Sd/-  
H.V. SUBBA RAO  
Member (Judicial)

**IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH  
COURT III**

**I.A. 1873 OF 2021**

Under Section 33 of Insolvency &  
Bankruptcy Code, 2016

Filed by

**Mr. Ankur Kumar**

Resolution Professional of:

Union Chains & Jewellers Private Limited

**...Applicant**

In the matter of

**C.P. No. 1113 of 2019**

**Indiabulls Consumer Finance Limited**

**M-62 & 63, First Floor,**

**Connaught Place,**

**New Delhi – 110001**

**...Petitioner**

Versus

**Union Chains & Jewellers Pvt. Ltd.**

**67/1, Dhanji Street, Ground Floor,**

**Parsi Gully, Zaveri Bazar,**

**Mandvi, Mumbai - 400003**

**...Corporate Debtor**

**Order delivered on: 26.10.2021**

**Coram:**

Hon'ble Shri H.V. Subba Rao, Member (Judicial)

Hon'ble Shri Chandra Bhan Singh, Member (Technical)

**Appearance:**

For the Resolution Professional: Mr. Ankur Kumar

1. The above application I.A. No. 1873/2021 is filed by Resolution Professional, Mr. Ankur Kumar seeking liquidation of Union Chains & Jewellers Private Limited (hereinafter referred as Corporate Debtor) under Section 33(2) of the Insolvency and Bankruptcy Code, 2016 (hereinafter called as “the Code”) and Regulation 3 of The Insolvency & Bankruptcy Board of India (Liquidation Process) Regulation, 2016 (hereinafter called as “the Regulation”), praying for following reliefs:

- a. That this Hon’ble Tribunal be pleased to exclude the period from 24<sup>th</sup> March 2021 further orders passed by the Hon’ble Supreme Court of India in M.A. No. 655 of 2021 in Suo Moto Writ Petition No. 03 of 2020 be formally excluded from the calculation of the CIRP timeline of the Corporate Debtor;*
- b. That this Hon’ble Tribunal be pleased to pass order for liquidation of the Corporate Debtor;*
- c. That this Hon’ble Tribunal be pleased to appoint Mr. Ankur Kumar as a Liquidator of the Corporate Debtor;*
- d. Such other relief and this Hon’ble Bench may deem fit and necessary.*

2. The brief facts of the application are as follows:

- A. The applicant mentioned that this Tribunal vide its order dated 27.09.2019 in Company Petition No. 1113 of 2019 admitted the petition under Section 7 of the Code read with Rule 4 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter called as “the Rules”), filed by Indiabulls Consumer Finance Limited

(hereinafter referred to as the “Financial Creditor”) and Corporate Insolvency Resolution Process (CIRP) was initiated against Union Chains & Jewellers Private Limited, (hereinafter called as the “Corporate Debtor”). The applicant herein was appointed as the Interim Resolution Professional (IRP) of the Corporate Debtor by this Tribunal vide this Order dated 27.09.2019.

- B. The Committee of Creditors, (hereinafter called as the “CoC”) was constituted on 06.11.2019, whereby in the first meeting the CoC held on 06.11.2019, the applicant was appointed as the Resolution Professional of the Corporate Debtor to conduct the CIRP of the Corporate Debtor in accordance with the relevant provisions of the Code.
- C. The CoC in its 4<sup>th</sup> meeting which was held on 24.06.2021, the Applicant informed the CoC that since there are no operations in the Corporate Debtor, that none of the directors of the Corporate Debtor are interested in extending co-operation for smooth running of the CIRP and also considering the CIRP period of the Corporate Debtor is almost over, it would be appropriate to initiate liquidation proceedings against the Corporate Debtor. The Committee in the said meeting noted that the Resolution Professional i.e., the Applicant herein being eligible to act as the Liquidator of the Corporate Debtor has given his consent to be appointed as the Liquidator of the Corporate Debtor. Thereafter, the Committee decided to put the following resolution for e-voting, the relevant extract of the

resolution and voting result is reproduced herein below for ready reference:-

**RESOLUTION 1:**

*“RESOLVED THAT Pursuant to the provisions of Section 33(2) of the Insolvency and Bankruptcy Code, 2016 and Rules made thereunder, approval of the Committee of Creditors be and is hereby accorded for liquidation of Union Chains & Jewellers Private Limited, subject to the approval of Hon’ble National Company Law Tribunal, Mumbai;*

**RESOLUTION 2:**

*“RESOLVED THAT pursuant to Section 34 of the Insolvency and Bankruptcy Code, 2016 the Committee of Creditors hereby appoints Mr. Ankur Kumar having Registration No. IBBI/IPA-002/IP-00113/2017-2018/10283 to act as Liquidator of Corporate Debtor for a Professional fees as mutually decided between the Committee and the RP;*

**RESOLVED FURTHER THAT** *after the appointment of liquidator all the powers of board of directors, Key managerial personnel of the corporate debtor shall cease to have effect and shall be vested with the liquidator;*

**The relevant extract of the Result of e-voting is as follows:-**

<b>S. No.</b>			<b>Voted (%)</b>	

	<b>Name of the Creditor</b>	<b>Voting Share (%)</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Not Voted</b>
<b>1</b>	Indiabulls Consumer Finance Limited	1.42	-	-	-	1.42
<b>2</b>	Kotak Mahindra Bank	93.50	93.50	-	-	-
<b>3</b>	Avanse Financial Services Limited	1.12	1.12	-	-	-
<b>4</b>	Tata Capital Financial Services	1.08	-	-	1.08	1.08
<b>5</b>	Niyogin Fintech Limited	1.00	-	-	-	1.00
<b>6</b>	ICICI Bank Ltd.	0.17	-	-	-	0.17

<b>7</b>	Suryoday Small Finance Bank Ltd.	1.72	-	-	-	1.72
	<b>Total</b>	<b>100.00</b>	<b>94.62</b>	<b>-</b>	<b>1.08</b>	<b>4.30</b>

**RESOLVED FURTHER THAT** Pursuant to Regulation 39B the estimated liquidation cost to be incurred in the process of liquidation will be as under:-

<b>S. No.</b>	<b>Particulars</b>	<b>Amount</b>
1	Fees of the liquidator	6,00,000/-
2	Fees of other professional (Valuer, Accountant, Lawyer)	150,000/-
3	Costs of Publication	50,000/-
4	Cost for preserving the stock	10,000/-
5	Cost for e-auction or private sale	50,000/-

***the committee will in consultation with RP, determine the above costs.***”

3. Heard the arguments of the counsel appearing for the Resolution Professional and perused the record. It is observed from the minutes of the 4<sup>th</sup> CoC meeting held on 24.06.2021 that the CoC has, with

94.62% majority, decided to liquidate the Corporate Debtor. As no resolution had happened even after lapse of statutory period.

4. The Applicant/ Resolution Professional Mr. Ankur Kumar, has agreed to act as liquidator to carry on the process of Liquidation and given his consent to act as Liquidator.
5. We have heard the Applicant and perused all the documents submitted by them. It is observed from the minutes of the 4<sup>th</sup> CoC meeting that the CoC has, with 94.62% majority, decided to liquidate the Corporate Debtor and relying on the settled principle of law regarding the Commercial Wisdom of the CoC, we hereby allow this Interlocutory Application Number 1873 of 2021 and passed the following:

#### **ORDER**

- i. The above I.A. No. 1873/2021 is allowed and the Corporate Debtor Union Chains & Jewellers Pvt. Ltd. is ordered to be liquidated.
- ii. **Mr. Ankur Kumar**, having (Registration No. IBBI/IPA-002/IP-N00113/2017-2018/10283) and having office at: Office No. 18, 10<sup>th</sup> Floor, Pinnacle Corporate Park, G – Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051, is hereby appointed as the Liquidator as provided under Section 34(1) of the Code.
- iii. That the Liquidator for conduct of the liquidation proceedings would be entitled to the fees as provided in Regulation 4(2)(b) of the IBBI (Liquidation Process Regulations), 2016.

- iv. The Liquidator appointed in this case to initiate liquidation process as envisaged under Chapter-III of the Code by following the liquidation process given in the Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- v. The Liquidator appointed under section 34(1) of the Code. Will have all powers of the board of directors, key managerial personnel and the partners of the Corporate Debtor, as the case may be, shall cease to have effect and shall be vested with the liquidator.
- vi. That the Corporate Debtor to be liquidated in the manner as laid down in the Chapter by issuing Public Notice stating that the Corporate Debtor is in liquidation with a direction to the Liquidator to send this order to the ROC under which this Company has been registered.
- vii. All the powers of the Board of Directors, key managerial persons, the partners of the Corporate Debtor hereafter ceased to exist. All these powers henceforth vest with the Liquidator.
- viii. That the personnel of the Corporate Debtor are directed to extend all co-operation to the Liquidator as required by him in managing the liquidation process of the Corporate Debtor.
- ix. That on having liquidation process initiated, subject to Section 52 of the Code, no suit or other legal proceeding shall be

instituted by or against the Corporate Debtor save and except the liberty to the liquidator to institute suit or other legal proceeding on behalf of the Corporate Debtor with prior approval of this Adjudicating Authority.

- x. This liquidation order shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor except to the extent of the business of the Corporate Debtor continued during the liquidation process by the Liquidator.

With the above directions, this application i.e. I.A. No. 1873 of 2021 is hereby allowed and disposed of.

Sd/-

**CHANDRA BHAN SINGH**  
**MEMBER (TECHNICAL)**

Sd/-

**H.V. SUBBA RAO**  
**MEMBER (JUDICIAL)**