

**IN THE NATIONAL COMPANY LAW TRIBUNAL: NEW DELHI**  
**PRINCIPAL BENCH**

**ITEM No. 104**  
**(IB)-1416(ND)/2018**

**IN THE MATTER OF:**

M/s Ridhi Sidhi ... Petitioner/Applicant  
v.  
R.K. Silk Mills (India) Ltd ... Respondent

**Order Under Section 9 of Insolvency & Bankruptcy Code (IBC) in Liq**

**Order delivered on 10.03.2023**

**CORAM:**

**JUSTICE RAMALINGAM SUDHAKAR**  
**HON'BLE PRESIDENT**

**SH. AVINASH K. SRIVASTAVA**  
**HON'BLE MEMBER (T)**

**(HEARING THROUGH PHYSICAL MODE AND VC)**

**PRESENT:**

For the Liquidator : Appearance not marked  
For the Respondent : Appearance not marked

**ORDER**

**New IA-1278/2023**

This application has been filed by the Liquidator seeking the following reliefs:

*“a) Pass an order to extend the liquidation period for 365 days starting from 21.02.2023 to 21.02.2024 to enable the liquidator to complete the process of liquidation in pursuance to provisions of regulation 44(2) of the Insolvency & Bankruptcy Board of India (Liquidation Process) Regulation, 2016.*

*b) Pass such other order/directions as this Hon'ble Bench may deem fit and proper in the facts and circumstances of the case.”*

The applicant has referred to Para-15 stating the reasons as follows:

*“15) Further in the second meeting of stakeholders Consultation Committee held on 26.12.2022, The applicant again requested Mr. Manoj Bijwe representing secured*

*financial creditor, Daimler Financial Services Private Limited for handing over the possession of asset of the corporate debtor to the liquidator in order to conduct the valuation of the said asset and complete the liquidation process by realising the mentioned asset in the Interest of all the stakeholders. Otherwise, stakeholder consultation committee will be unnecessarily be burdened due to the delay in the liquidation process and since the same will increase the liquidation cost in due course.*

*Mr. Manoj Bijwe representing secured financial creditor Daimler Financial Services Private Limited stated that they will file an application before Hon'ble NCLT, Delhi Bench for seeking appropriate directions in the aforesaid matter.*

*Thereafter applicant explained that in a case where the order of the Hon'ble tribunal is in their favor and they get to exercise their right of non-relinquishment of their security interest, even in such case they would be required to make payment in respect of CIRP cost and Liquidation cost, before adjusting their dues against the realisation. Similarly, where the asset is realised as part of the Liquidation estate, even in such situation, the realisation would be distributed to them in priority as per the mechanism prescribed in section 53 of the Code, 2016, where after the. payment of CIRP cost and Liquidation cost, the distribution will be made to the secured creditor who has relinquished security in the manner set out in section 52.*

*Therefore, the impact of relinquishment or not will not affect the realisation to the secured financial creditor. The applicant further informed that the member may decide their own course of action, but it is his duty as a professional to inform about the significance of their action on the liquidation of the corporate debtor who may not even have enough assets to adjust the CIRP cost and liquidation cost altogether.*

*It was further explained by the Liquidator that when the secured financial creditor was enabled to safeguard the sole asset of the corporate debtor since only the secured financial creditor had the facility to keep the car safely. The possession of the asset was provided in trust and that did not tantamount to secured financial creditor having control of the asset. Further, in either case as mentioned above, the*

*liquidation process cannot proceed without getting the liquidation value of the asset, therefore, the secured financial creditor is requested to let the valuer inspect the asset of the corporate debtor and let them complete the valuation process. The authorised representative of the secured financial creditor took note of the explanation and assured to understand the events and to revert upon the same at the earliest. Copy of minutes of second meeting of stakeholders consultation committee is attached herewith and marked as **Annexure -7**”*

For the reasons mentioned above, we allow the extension of Liquidation for six months w.e.f the date of expiry of the liquidation period for completing the liquidation process.

Ld. Liquidator is directed to ensure that the liquidation process is completed within the granted six months.

**New IA-1278/2023 is allowed.**

It is further seen that there was none for the Liquidator on last 4 dates. Accordingly, we direct the Liquidator to be present on the next date of hearing.

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**(RAMALINGAM SUDHAKAR)**  
**PRESIDENT**

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**(AVINASH K. SRIVASTAVA)**  
**MEMBER (TECHNICAL)**

10.03.2023  
Vinod Arora