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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **W.P. (C) 5858/2021 and CM APPL. 18404/2021, 4568/2023**

PRATIBHA INDUSTRIES LIMITED ..... Petitioner

Through: Mr. Abhinav Vasisht, Sr. Adv. with Mr. Indranil Ghosh, Mr. Orijit Chatterjee & Mr. Palzer Moktan, Advs. (M: 9674159395)

versus

GOVERNMENT OF NCT OF DELHI AND ORS ..... Respondents

Through: Mr Santosh Kumar Tripathi, Mr Arun Panwar & Ms Mahak Rankawat, Advs. for R-1. (M: 9643647008)
Ms. Sangeeta Bharti Standing Counsel for Delhi Jal Board with Ms. Malvi Balyan, Adv. for R-2. (M: 9811112863)
Ms. Malvika Trivedi, Sr. Adv. with Ms. Rhea Verma and Mr. Shailendra Slaria, Advs. for R-3. (M: 9910618997)
Mr Gaurav Mitra, Ms Honey Satpal, Ms. Mumtaz Bhalla, Mr. Karan Chopra & Mr. Ishan Roy Choudhary, Advs. for R-4. (M: 7737702600)

CORAM:
JUSTICE PRATHIBA M. SINGH

O R D E R

% 14.03.2023

1. This hearing has been done through hybrid mode.

2. It is submitted on behalf of the Respondent No.4- M/s R. Krishnamurthy and Co., who was the Sub-Contractor for completion the balance portion of the first phase of the project that the committee of

creditors/lenders has, in their minutes of meeting dated 18th October, 2022, made some observations about the current liquidator and the need to replace the liquidator. A copy of the said minutes of the meeting have been handed over in Court. The relevant extract of the same is extracted as under:

> *"The* ***<u>meeting started with the discussion on the agenda of Change Of Liquidator</u>****, <u>Ms Kalpana Purohit Chief Manager, apprised the lender banks that Indian Bank felt that the Liquidator was not acting in the best interest of the Corporate debtor and the consortium lenders and as such were of the view that the Liquidator needs to be replaced.</u>*
>
> *She further apprised that as per the recent amendments in the IBC Laws and regulations, the <u>Liquidator has to constitute a Stake Holders Consultation Committee and therein the agenda for change of liquidator can be placed for voting.</u> The <u>bank was in receipt of mails from the sub contractor highlighting various irregularities, committed by the Liquidator</u>. Further, they were also in receipt of an FIR filed against the Liquidator wherein there were allegation of seeking bribe, from sub contractor for releasing his payments.*
>
> *The views of the members present were sought on the agendas*
>
> ***<u>Majority of the lenders were of the view that they too were in receipt of similar mails and the conduct of the Liquidator was worrisome. The facts constrain the lenders to replace /change the Liquidator and liquidator needs to be replaced as he was not acting in the best interest of the Corporate Debtor and the stake holders.</u>***
>
> *Yes Bank was not present in the meeting but had telephonically intimated that they are in agreement with Indian Bank and are in favour of replacing the Liquidator.*
>
> *Indian Bank representative further informed the member banks that they will be seeking quotations*

> *from Resolution Professionals and then another meeting will be convened for finalizing the RP.*
> *Member banks were advised to and requested to share the names and addresses of Resolution professionals if any for seeking quotations."*

3. An application is stated to be pending before the NCLT in this regard. Accordingly, list this matter on 23rd May, 2023 for hearing.

4. On the said date, if the entire matter cannot be heard, the contractor's application for release of further amount in respect of completed works, shall be considered. All the parties, who wish to oppose the said application, may file their replies within 4 weeks. Rejoinder thereto, if any, within 4 weeks thereafter.

5. Interim order already operating to continue.

PRATHIBA M. SINGH, J.

MARCH 14, 2023
dk/am