

NATIONAL COMPANY LAW TRIBUNAL  
COURT-V, MUMBAI BENCH

201. C.P. (IB)/546(MB)2024

**IN THE MATTER OF**

Reliance Commercial Finance Limited

... Petitioner

Vs

RPL Solar Power Private Limited

... Respondent

U/s 7 of the Insolvency and Bankruptcy Code, 2016

**Order Delivered on 26.11.2024**

CORAM:

MS. REETA KOHLI,  
MEMBER (J)

MS. MADHU SINHA,  
MEMBER (T)

**Appearance through VC/Physical/Hybrid Mode:**

For the Petitioner: Adv. Akhil Sarathy (VC)

For the Respondent: Adv. Mansi Patel (VC)

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**ORDER**

This Company Petition is filed on 21/06/2024 by **Reliance Commercial Finance Ltd.** (hereinafter referred as “**the Petitioner/Financial Creditor**”) seeking to initiate Corporate Insolvency Resolution Process (hereinafter referred as “**CIRP**”) against **RPL Solar Power Private Limited** (hereinafter called “**Corporate Debtor**”) by invoking the provisions of **Section 7** of the Insolvency and Bankruptcy Code, 2016 (hereinafter called “**the Code**”) read with Rule 6 of Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for committing default in payment of an Financial Debt of **Rs. 5,04,6835,205/-** (Principal Amount of debt is Rs. 1,81,00,00,000/- Interset Rs. 1,34,77,84,520/- and penal interest of Rs. 1,88,90,50,685/)

**Submission by the Financial Creditor**

1. The Petitioner, Reliance Commercial Finance Limited, has filed the present Petition u/s.7 of the Insolvency and Bankruptcy Code, 2016 ("Code") on 21st June 2024 against RPL Solar Power Private Limited.
2. The present Petition has been filed for default in repayment of total financial debt of Rs. 5,04,6835,205/- comprising the following: -
  - Principal amount of debt is Rs. 1,81,00,00,000/-
  - Interest is Rs. 1,34,77,84,520/-
  - Penal interest is Rs. 1,88,90,50,685/- (both the interest as on November 30,2023)
3. The abovementioned total financial debt is arising out of the following three loan facilities:
  - (i) Loan facility (Rs. 100 crores) extended by Reliance Home Finance Limited to Corporate Debtor qua which the date of default is 10/03/2019.
  - (ii) Loan facility (Rs. 50 crores) extended by Reliance Home Finance Limited to Corporate Debtor qua which the date of default is 25/11/2019.
  - (iii) Loan facility (Rs. 35 crores) extended by Reliance Home Finance Limited to Corporate Debtor qua which the date of default is 01/08/2019.
4. It is pertinent to note that though the above 3 loan facilities were extended by Reliance Home Finance Limited to Corporate Debtor they were assigned to Financial Creditor vide Deed of Assignment dated 31/03/2023.
5. The recall notice has been sent to the Corporate Debtor by the Financial Creditor qua loan facilities 1 and 3 dated 31/7/2023.

**Submission by the Corporate Debtor**

6. The Corporate debtor unambiguously and expressly vide para 6 of its Reply admits that due to downturn in business which was further compounded by impact of Covid-19, it was under financial stress and liquidity crunch and was unable to repay the working capital loan facilities extended by Reliance Home Finance Limited.
7. The main contention of the Corporate Debtor in the present case pertains only to the fact that the consent of the Corporate Debtor was not obtained qua the Deed of Assignment dated 31/03/2023 through which the above stated 3 loan facilities extended by Reliance Home Finance Limited to Corporate Debtor were assigned to Financial Creditor. Hence in the absence of consent there is no privity of contract as between the Financial Creditor and the Corporate debtor and hence the latter is not liable to the former.

**FINDINGS**

8. The present Petition has been preferred by the Petitioner/Financial Creditor for a Total sum of Rs. 5,04,6835,205 Crores. The date of default is stated to be 10<sup>th</sup> March 2019. The loan was extended by Reliance Home Finance Limited and the said debt was subsequently on 31<sup>st</sup> March 2023 assigned to the Petitioner/Applicant who has preferred the present Petition for initiation of CIRP against the Respondent. The Ld. Counsel for the Applicant has drawn our attention to the Financial Statement for the year ended on 31<sup>st</sup> March 2022 of Reliance Home Finance Limited so as to show that the entire principal amount was disbursed to the Respondent/Corporate Debtor. The Ld. Counsel further submits that in view of the fact that the debt stands acknowledged by the Corporate Debtor, it is a fit case for admission to CIRP. The case is stated to be within the stipulated limitation in terms of Limitation Law.
9. We have gone through the reply filed by the Ld. Counsel for the Respondent wherein the Respondent has per-se admitted the liability. The only objection having been taken by the Respondent in the reply is that they are not aware of

the assignment of debt and no consent of the Respondent was sought at the time of assigning the debt to the Applicant. The Ld. Counsel for the Respondent has failed to substantiate the said argument with any of the legal precedence which require the Debtor to be informed or consent of the Debtor to be sought at the time of assignment of debt. In view of the above submissions and particularly in view of the Para-6 of the reply which states as under: -

*Due to certain unforeseen and unexpected circumstances owing to the downturn in business which was further compounded by the world wide Covid-19 Pandemic, the Corporate Debtor faced severe financial stress and liquidity crunch due to which it was unable repay the aforementioned working capital loan facilities extended by Reliance Home Finance Limited (RHFL). However, there was no deliberate intention on the part of the Corporate Debtor to default on repayment and in fact Corporate Debtor made several efforts to negotiate a settlement with Reliance Home Finance Limited but the same did not materialize.*

It is a fit case of admission of the Corporate Debtor into CIRP.

10. This Hon'ble Tribunal relies on the judgement of *Innoventive Industries Limited v. ICICI Bank and Another and E.S. Krishnamurthy & Ors. vs. Bharath Hi-Tech Builders Pvt. Ltd. (2022) 3 SCC 161 in which the Hon'ble Supreme Court* held that the moment the adjudicating authority is satisfied that there is a debt and a default has occurred, the Section 7 application must be admitted unless it is incomplete.
11. In view of the facts, submissions and deliberations of both the parties, we deem it appropriate to admit the CIRP against the Corporate Debtor.

**ORDER**

- a. In view of the aforesaid findings, the above Company Petition No. 546/IBC/MB/2024 is hereby **admitted** and thereby initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against **M/s. RPL Solar Power Private Limited**.
- b. The Financial Creditor has suggested the name of IRP to perform the duties of the Interim Resolution Professional (IRP) in the petition. This Bench hereby appoints **NPV Insolvency Professionals Private Limited (Formerly known as Mantrah Insolvency Professionals Private Limited)**, who is enrolled as a Professional Member of the ICSI Institute of Insolvency Professionals with Insolvency Membership No. **ICSI IIP/IPE/N0004** and registered with the Insolvency and Bankruptcy Board of India as an insolvency professional with Registration No: **IBBI/IPE-0040/IPA-2/2022-23/50021**, having Email id [ashokjuneja@gmail.com](mailto:ashokjuneja@gmail.com) as the Interim Resolution Professional to carry out the functions as mentioned under the Insolvency & Bankruptcy Code, 2016.
- c. The Financial Creditor shall deposit an amount of **Rs. 2 Lakhs** towards the initial CIRP costs by way of a Demand Draft drawn in favour of the Interim Resolution Professional appointed herein, immediately upon communication of this Order.
- d. That this Bench hereby prohibits the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority; transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein; any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; the

recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

- e. That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period.
- f. That the provisions of sub-section (1) of Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- g. That the order of moratorium shall have effect from the date of pronouncement of this order till the completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of corporate debtor under section 33, as the case may be.
- h. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.
- i. During the CIRP period, the management of the corporate debtor will vest in the IRP/RP. The suspended directors and employees of the corporate debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP.
- j. Registry shall send a copy of this order to the Registrar of Companies, Mumbai for updating the Master Data of the Corporate Debtor.
- k. Registry to intimate the IRP about his appointment as IRP of the Corporate Debtor within 3 days.
- l. Accordingly, CP 546 of 2024 is **admitted**.

Sd/-  
MADHU SINHA  
Member(Technical)  
/Ziyaul/

Sd/-  
REETA KOHLI  
Member(Judicial)