

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL**  
**NEW DELHI**

**Company Appeal (AT) (Insolvency) No. 1259 of 2019**

**IN THE MATTER OF:**

**Gautam Singhania**

**...Appellant**

**Versus**

**M/s. Loyal Scaffolding Pvt. Ltd.**

**...Respondent**

**Present:**

**For Appellant :**           **Ms. Tania Sharma and Ms. Shankari Mishra,**  
**Advocates**

**For Respondent :**       **Mr. Suresh B. Advocate for 1<sup>st</sup> Respondent**  
**Mr. Rahul Kumar, Advocate for the IRP**

**O R D E R**

**03.01.2020**       M/s. Loyal Scaffolding Pvt. Ltd. (Operational Creditor) filed an application under Section 9 of the 'Insolvency and Bankruptcy Code, 2016' ('I&B Code', for short) against M/s. Goyala Infrac. Projects Pvt. Ltd. (Corporate Debtor). The Adjudicating Authority (National Company Law Tribunal), New Delhi (Court No. III) having admitted the application by impugned order dated 30<sup>th</sup> October, 2019, the present appeal has been preferred by the Director.

Learned counsel appearing on behalf of the Appellant submits that M/s. Goyala Infrac. Projects Pvt. Ltd. is an Infrastructure Company and mostly constructed the Government premises. In view of the fact that the allottees will suffer, the Appellant agreed to settle the matter with the Respondent – 'M/s. Loyal Scaffolding Pvt. Ltd.' (Operational Creditor) before constitution of the 'Committee of Creditors'.

An affidavit has been filed by the Appellant enclosing the 'Memorandum of Settlement' dated 16<sup>th</sup> December, 2019 in terms of which 1<sup>st</sup> Instalment has been paid. It is stated that rest of the amount will be paid as per 'Terms of Settlement'. This fact has been accepted by Mr. Suresh B., learned counsel appearing on behalf of M/s. Loyal Scaffolding Pvt. Ltd. and in presence of Mr. Amanjeet Singh, Authorised Representative of the 'Operational Creditor'.

Mr. Rahul Kumar, Advocate appearing on behalf of the 'Interim Resolution Professional' submits that the 'Committee of Creditors' has not been constituted and accepted that the allottees may suffer. Learned counsel for the 'Interim Resolution Professional' also submits that the 'Interim Resolution Professional' is entitled to receive a sum of Rs.2,63,000/- towards fee and cost, out of which Rs.2,00,000/- has been received by the 'Interim Resolution Professional'.

Taking into consideration the fact that the 'Corporate Debtor' is an Infrastructure Company and allottees have not made any grievance and they may suffer and one of the supplier i.e. M/s. Loyal Scaffolding Pvt. Ltd. has reached for 'Terms of Settlement', in exercise of powers conferred under Rule 11 of the NCLAT Rules, 2016, we set aside the impugned order dated 30<sup>th</sup> October, 2019 passed by the Adjudicating Authority (National Company Law Tribunal), New Delhi in IB-1495/ND/2019. The Appellant is directed to comply with the 'Terms of Settlement' which should be treated as direction of this Appellate Tribunal.

The Appellant is further directed to pay rest of the amount of Rs.63,000/- to the 'Interim Resolution Professional' within 3 weeks. The 'Interim Resolution Professional' will hand over the assets and records of the 'Corporate Debtor' to the Directors/Promoters to enable them to complete the project for the allottees.

The application under Section 9 of the I&B Code filed by M/s. Loyal Scaffolding Pvt. Ltd. stands disposed of as withdrawn. The Adjudicating Authority will close the proceedings. The 'Corporate Debtor' is released from all the rigours of law and is allowed to function independently from immediate effect.

The appeal is allowed with aforesaid observations and directions. No costs.

[Justice S.J. Mukhopadhaya]  
Chairperson

[ Justice Bansi Lal Bhat ]  
Member (Judicial)

/ns/gc/