

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH-II**

I.A.(IBC)(Liq.) No. 88/2024

IN

CP (IB) No. 548/MB-II/2023

*[Under Section 33(2) of the Insolvency and
Bankruptcy Code, 2016]*

IN THE MATTER OF:

Ankit Goel

Resolution Professional of Parallax Décor Pvt.
Ltd.

Having his office at: AAA House, 64,
Okhla Estate
Phase-III, New Delhi-110020.

.... Applicant

IN THE MATTER BETWEEN:

Omkara Assets Reconstruction Pvt. Ltd.

... Financial Creditor

Vs

Parallax Décor Private Limited

... Corporate Debtor

Order Pronounced: 08.05.2025.

CORAM:

**SHRI ANIL RAJ CHELLAN
HON'BLE MEMBER (TECHNICAL)**

**SHRI K. R. SAJI KUNAR
HON'BLE MEMBER (JUDICIAL)**

Appearances: Hybrid

For the Applicant : Adv. Swechcha Mishra for the RP.

ORDER

[PER: CORAM]

1. This is an Application u/s 33(2) of the Insolvency and Bankruptcy Code, 2016 (Code/IBC) filed by the Applicant, who is the Resolution Professional (RP) of the Corporate Debtor (CD), seeking liquidation of the CD.
2. We have heard the Ld. Counsel for the Applicant and perused the available record.
3. The application under Section 7 of the Code *vide* CP(IB) No. 548 of 2023, was admitted by this Tribunal on 14.12.2023, under which the Corporate Insolvency Resolution Process (CIRP) of the CD was initiated and the Applicant herein was appointed as the Interim Resolution Professional (IRP). The Public Announcement was made on 17.12.2023 and the last date to submit claims was 28.12.2023. The IRP constituted the Committee of Creditors (CoC), based on the claims received and filed an IA No. 396/2024 before the Adjudicating Authority under Regulation 17(1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Debtors) Regulations, 2016 (CIRP Regulations) read with Section 13(2)(d) of the Code, certifying the constitution of CoC.
4. On perusal of records, we find that the Applicant convened the First CoC meeting on 13.01.2024, wherein it was unanimously resolved to appoint the

IRP as the Resolution Professional (RP) of the CD. M/s. Kansal Singla and Associates were appointed as the transaction auditor *vide* appointment letter dated 05.03.2024. The draft audit report was received by the Applicant on 25.06.2024; however, the final audit report is still awaited as on the date of filing of this Application.

5. The Applicant convened the Third CoC meeting on 27.03.2024, at which time the Applicant proposed either publishing Form G to continue the CIRP or passing a resolution for liquidation of the CD. The CoC unanimously rejected the proposal for liquidation and approved the proposal to continue with the CIRP of the CD by publishing Form G.
6. In the meanwhile, the Applicant with the authorisation of CoC, published Form G dated 21.04.2024, inviting Expression of Interest (Eol) from the Prospective Resolution Applicants (PRAs) in accordance with Regulation 36A(1) of the CIRP Regulations. Thereafter, the Applicant convened the Fourth CoC Meeting on 24.04.2024, wherein members of the CoC resolved and unanimously approved the Bid Evaluation Matrix and Request for Resolution Plan (RFRP). The last date for submission of Eol, as specified in Form G, was 06.05.2024, within which the Applicant received one Eol from Mr. Mehul Bhartia (Suspended Director/PRA) along with the Earnest Money Deposit (EMD) amount. Thereafter, the Applicant published the Provisional List of PRAs on 16.05.2024 and issued Information Memorandum (IM) and

RFRP to the PRA on 23.05.2024. However, the PRA had not submitted the relevant documents including the Net Worth Certificate to the Applicant despite a reminder email dated 30.05.2024. Pertinently, due to non-submission of documents including the Net Worth Certificate of the PRA, the PRA was not eligible to be part of the final list of PRAs. Thus, the Applicant failed to publish the final list of PRAs on 31.05.2024, which was the last date to issue the final list of PRAs.

7. We notice that as the period of 180 days for completing the CIRP was expiring on 11.06.2024, the Applicant convened the Fifth CoC Meeting on 23.05.2024, wherein it was resolved to file an extension application of 90 days beyond 180 days w.e.f. 12.06.2024. In view of the aforesaid resolution, the Applicant moved an I.A. No. 3046/2024, which was allowed by this Tribunal *vide* its Order dated 13.06.2024, thereby extending the CIRP period by 90 days with effect from 12.06.2024.
8. Perusal of records shows that the Applicant convened the Sixth CoC meeting dated 06.06.2024, wherein two resolutions were proposed by the members of CoC, viz., either to re-publish Form G or to liquidate the CD. It was also discussed whether the CD could be sold as a going concern in accordance with Regulation 39C of the CIRP Regulations. However, since the CD was not a going concern, the CoC resolved not to sell it as a going concern. The aforesaid resolutions were put to vote, and on 19.06.2024, with a unanimous

voting share of 100%, the CoC rejected the resolution for the re-publication of Form G, and further approved the liquidation of the CD. The extracts of the aforesaid resolution for liquidation are reproduced hereinbelow:

"Resolution No. 3

To approve the liquidation of the Corporate Debtor

Facts and Explanatory Statement: In pursuance to the discussion held in item no. 5 following is the resolution put for voting:

Resolution:

To consider and if found fit, to pass with or without modification the following Resolution. "RESOLVED THAT, in pursuance to Section 33(2) of IBC 2016 and the rules made thereunder, the consent of the members of the COC be and is hereby accorded to approve the initiation of liquidation process in respect of Parallax Décor Private Limited and to file an application with the Hon'ble NCLT in this behalf

FURTHER RESOLVED THAT, the remuneration of liquidator for conducting the Liquidation Process shall be in accordance with Regulation 4 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

FURTHER RESOLVED THAT, the Resolution Professional be and is hereby authorized to file an application before the Hon'ble NCLT and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.

Decision: - The Resolution is passed by 100 % voting Share."

9. It is noteworthy that the Applicant on 03.06.2024, received the Net Worth Certificate of the PRA. The said Net Worth Certificate (annexed at Annexure

A12 (Colly) at page No.150 of the Application) reveals that the PRA had a negative net worth. Thus, in view of the negative net worth certificate, the PRA was held to be ineligible to submit a resolution plan. As a result of which, his name did not appear in the final list of the PRAs. Hence, no resolution plan could be received from the PRA.

10. Having heard the Ld. Counsel for the Applicant, and in the facts and circumstances of the case as discussed above, since the Adjudicating Authority did not receive a resolution plan under Section 30(6) of the Code before the expiry of the CIRP period, in our considered view, this is a fit case to order the liquidation of the CD under Section 33(1)(a) of the Code.
11. Even otherwise, the CoC in its Sixth meeting held on 06.06.2024, unanimously resolved to liquidate the Corporate Debtor under Section 33(2) of the Code. The Hon'ble Supreme Court in the matter of **K. Sashidhar Vs. Indian Overseas Bank & Ors.** [Civil Appeal No. 10673 of 2018, dates 05.02.2019] has held that the decisions of CoC based on its commercial wisdom are non-justiciable. Thus, the said resolution passed in the Sixth CoC meeting to liquidate the CD needs to be approved.
12. In view of the above discussions and findings, this Bench is of the opinion that the CD is required to be liquidated in the manner as laid down under the IBC. Hence, we pass the following orders:

ORDER

- i. The Corporate Debtor, **PARALLAX DÉCOR PRIVATE LIMITED** is **ordered to be liquidated** in terms of Section 33(1)(a) and Section 33(2) of the Code read with the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (Liquidation Process Regulations).
- ii. This Bench hereby appoints **Mr. Vinod Balasaheb Dongare**, an Insolvency Professional having **Registration No. IBB/IPA-001/IP-P-02872/2023-2024/14391** (having Email: cavinoddongare@gmail.com and Mobile: 9850975990) as the Liquidator of the Corporate Debtor. The Liquidator so appointed shall complete the Liquidation Process as per the provisions of the IBC read with the Liquidation Process Regulations. The Liquidator, for conduct of the Liquidation Process shall be entitled to the fees as provided in Regulation 4(2)(b) of the Liquidation Process Regulations.
- iii. The Liquidation of the CD is effective from the date of this Order and the Moratorium under Section 14 of the Code declared *vide* Order dated 14.12.2023 in CP(IB) No.548/NCLT/MB/2023, shall cease to exist from such date;
- iv. That, on having the liquidation process initiated, subject to Section 52 of the Code, no suit or other legal proceeding shall be instituted by or against the CD, save and except the liberty to the Liquidator to institute

suit or other legal proceeding on behalf of the CD with prior approval of this Adjudicating Authority;

- v. All the powers of the Board of Directors, key managerial persons, the partners of the CD, as the case may be, hereafter cease to exist. All their powers henceforth vest with the Liquidator. The personnel of the CD are directed to extend all co-operation to the Liquidator as required by him in managing the Liquidation Process of the CD.
- vi. The Liquidator shall make a public announcement stating that the CD is in liquidation, in the manner laid down under Regulation 12 of the Liquidation Process Regulations. This Adjudicating Authority also directs the Liquidator to serve a copy of this Order to the various Government Departments such as Income Tax, GST, VAT, etc., who are likely to have any claim upon the CD so that the authorities concerned are informed of the liquidation Order timely. The Liquidator shall also provide a copy of this Order to the trade unions/employee associations, if any, of the CD so that the workman/employees could also be informed of this Liquidation Order through their association.
- vii. 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 CD continued during the Liquidation Process by the Liquidator, in terms of under Section 33(7) of the IBC.

- viii. The Liquidator shall be at liberty to pursue pending the Interlocutory Applications pertaining to avoidance transactions, if any.
 - ix. The present Resolution Professional is directed to hand over the relevant documents and control of the CD to the newly appointed Liquidator forthwith.
 - x. The Registry is directed to communicate this Order to the concerned Registrar of the Companies, the registered office of the CD, IBBI, the Resolution Professional, and the Liquidator by speed post as well as by e-mail within one week from the date of this Order, after completion of all the formalities.
13. With the above directions, this **I.A. (IBC)(Liq.) No. 88 of 2024** filed under Section 33(2) of the Code is hereby **allowed** and stands **disposed of**.

Sd/-
ANIL RAJ CHELLAN
(MEMBER TECHNICAL)

Sd/-
K. R. SAJI KUMAR
(MEMBER JUDICIAL)