

**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH III, DELHI**

IA-2598/2020 in IB/1694/ND/2018 filed  
under Section 33(2) of the Insolvency and  
Bankruptcy Code, 2016

**In the matter of Trend Flooring Private Limited**

**Mr. Chanchal Dua,**  
Resolution Professional

*... Applicant*

*Order delivered on 9th September, 2020*

**CORAM:**

**CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)**

**NARENDRA KUMAR BHOLA, MEMBER (TECHNICAL)**

For Resolution Professional

: Mr. Abhishek Anand, Mr. Sumit Bindal  
Mr. Mohak Sharma, Mr. Viren Sharma (Advocates)

**ORDER**

**CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)**

1. This relates to IA-2598/ND/2020 filed in IB/1694/ND/2018 by Mr. Chanchal Dua (hereinafter referred to as 'Resolution Professional') under Section 33(2) of the Insolvency and Bankruptcy Code, 2016. The prayer made in the Application is to

pass an order of liquidation pertaining the Corporate Debtor (CD) viz., M/s. Trend Flooring Private Limited.

2. Originally IB/1694/ND/2018 filed under Section 9 of the I&B Code, 2016 by the Corporate Debtor was admitted by this Authority vide Order dated 09.10.2019, the CIR Process was initiated against the CD and the Applicant viz., Mr. Rajeev Saxena was appointed as Interim Resolution Professional (IRP).

3. It is averred that pursuant to the Order of this Authority dated 09.10.2019, the IRP had taken over the management of the CD and had done the public announcement on 6.11.2019 and issued the Newspaper Publication dated 6<sup>th</sup> November 2019 in two edition one in Financial Express (English) and Jansatta (Hindi) as per Regulation 6 (1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Debtor) Regulations, 2016, inviting the claims from the creditors. After verification of the claims received, the IRP constituted the Committee of Creditors (CoC). In first meeting of the COC held on 27.11.2019 Mr. Chanchal Dua, the Applicant was appointed as Resolution Professional (RP).

4. RP had prepared Information memorandum under Section 29 of the Code, 2016 read with Regulation 36 of the IBBI (Insolvency Resolution Process for Corporate Person) Regulations, 2016.

5. In second meeting of the COC, the members were of the opinion that since the operations of the Corporate Debtor were discontinued from January 2019 and the CD does not own any immovable assets, plant and machinery. Therefore, it would be in the best interest of all the stakeholders and CD to be liquidated at the earliest.

6. In third meeting of the COC convened on 28.2.2020, the applicant apprised the members of the COC that the suspended board of directors have failed to handover the possession of the vehicles owned by CD and the applicant is in process to locate and take custody of the vehicles, which are the assets of the CD.

7. In third meeting of the COC, after having discussions and deliberations, the members of the COC were of the opinion that there is no prospect of resolutions of the CD since the operations and business of CD has been discontinued from January 2019. The members of the CoC decided to liquidate the CD at the

earliest without going into EOI/ Form-G in order to minimize the further losses.

8. In fourth meeting of the COC held on 02.04.2020, the agenda of liquidation had been discussed and was further scheduled on 4.4.2020 and concluded at 4pm on 24.6.2020. The COC with 79.25% voting share approved the said agenda and authorized the applicant to file the application to seek liquidation order. The copy of the voting sheet is annexed as annexure A-12.

9. As per the directions of the COC, the applicant filed an additional affidavit in the application filed under Section 19(2) of the Code and also filed an application against ICICI bank for breaching moratorium by selling the vehicle to settle loan provided by the bank to CD after commencement of CIRP.

10. The liquidation value of assets of CD based on valuation reports obtained from different valuers is annexed as Annexure A-13.

11. The Committee of Members resolved as follows; -

(i) Resolved that the CD M/s Trend Flooring Private Limited be liquidated and Mr. Chanchal Dua, RP be and is hereby authorised to file an application with the Adjudicating Authority in this regard.

(ii) Mr. Chanchal Dua be appointed as the Liquidator of the CD M/s Trend Flooring Private Limited on a consolidated remuneration of Rs 5,00,000/- plus GST if an order for its liquidation is passed by the Adjudicating Authority under Section 33 of the IBC, 2016. The said consolidated fees be shared by the Liquidator and ARCK Resolution Professionals LLP (IPE) equally at the rate Rs 2.5 Lakhs each.

12. Since no Resolution Plan is received by this Authority under Sub-section (6) of Section 30 of the I&B Code, 2016, before the expiry of the Corporate Insolvency Resolution Process period of 180 days, the Corporate Debtor has to be ordered for liquidation.

### **ORDER**

13. In view of the facts and circumstances recorded by Resolution Professional in IA/2598/2020 filed in IB/1694/ND/2018

and in exercise of powers conferred under Sub-Clauses (i) (ii) and (iii) of Clause (a) of Sub-Section (1) of Section 33 of the I&B Code, 2016, this Authority proceeds to pass Liquidation Order as follows:-

- I. This Authority hereby orders for liquidation of the Corporate Debtor (CD) viz., M/s. Trend Flooring Private Limited which shall be conducted in the manner as laid down in Chapter III of part II of the I&B Code, 2016;
- II. This Authority hereby appoints Mr. Chanchal Dua as Liquidator who shall issue a public announcement stating therein that the CD is in liquidation;
- III. The moratorium declared under Section 14 of the I&B Code, 2016, shall cease to have effect from the date of the order of liquidation;
- IV. Subject to Section 52 of the I&B Code, 2016, no suit or other legal proceedings shall be instituted by/or against the CD. However, a suit and other legal


proceedings may be instituted by the Liquidator, on behalf of the CD, with the prior approval of this Authority.


- V. This Authority makes it clear that Para (IV) hereinabove shall not apply to legal proceedings in relation to such transactions as notified by the Central Government in consultation with any financial sector regulator.
- VI. This Order shall be deemed to be a notice of discharge to the officers, employees and workmen of the CD, except when the business of the CD is continued during the liquidation process by the Liquidator.
- VII. All the powers of the Board of Directors, Key Managerial Personnel and the Partners of the CD, as the case may be, shall cease to have effect and shall be vested with the Company Liquidator viz., Mr. Chanchal Dua. In addition to this, the Liquidator shall exercise the powers and duties as enumerated in

Sections 35 to 50, 52 to 54 of the I&B Code, 2016, r/w Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

- VIII. The personnel of the CD shall extend all assistance and co-operation to the Liquidator as may be required by him in managing the affairs of the CD.
- IX. As per the decision of the COC, Mr. Chanchal Dua is entitled to a consolidated remuneration of Rs 5,00,000/- plus GST. The said consolidated fees will be shared by the Liquidator and ARCK Resolution Professionals LLP (IPE) equally at the rate Rs 2.5 Lakhs each.
- X. The Registry is directed to communicate this order with immediate effect to the concerned Registrar of Companies, RD, OL, Registered Office of the CD and Liquidator viz. Mr. Chanchal Dua, for information and compliance.

14. In terms of the above, IA/2598/2020 filed in IB/1694/ND/2018 by the Resolution Professional under Section 33(2) of the I&B Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz., M/s. Trend Flooring Private Limited is **allowed**.

  
(Narendra Kumar Bhoja)  
MEMBER (TECHNICAL)

  
(CH. MOHD SHARIEF TARIQ)  
MEMBER (JUDICIAL)

U.D.Mehta/D