IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT II

IA 971 of 2021
In
CP (IB) 1427/MB/C-II/2019

Under Section 33 of the Insolvency and Bankruptcy Code, 2016.

In the Application of
Ms. Nishi Jain
Address: A102, Krishna Tower, Ashok Nagar, Kandivali East, Mumbai - 400101.

...Applicant/Resolution Professional

In the matter of
Hirfal Interiors
...Operational Creditor
Versus
Salasar Enterprises Private Limited

...Corporate Debtor

Order Delivered on :- 29.07.2022

Coram:

Justice P.N. Deshmukh (Retd.) : Member (Judicial)

Shyam Babu Gautam : Member (Technical)

Appearance:
For the Applicant : Adv. Yahya Batatawala

Resolution Professional : Ms. Nishi Jain

ORDER

Per: Justice P.N. Deshmukh, Member Judicial

1. It is an Application filed u/s 33 of the Insolvency & Bankruptcy Code, 2016 (hereinafter referred to as Code) by Mr. Nishi Jain, Resolution Professional (RP) of Salasar Enterprises Private Limited seeking Liquidation Order and appointment of the Applicant/RP as liquidator, based on the resolution passed by the CoC in its 5th meeting held on 15.03.2021 with a requisite majority as contemplated under the Code.

2. This Adjudicating Authority *vide* its order dated 15.10.2020 on a Petition filed by Hirfal Interiors *(Operational Creditor)* under section 9 of the Code directed initiation of the Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor and appointed Ms. Nishi Jain as the Interim Resolution Professional (IRP) of the Corporate Debtor.

3. The Applicant submitted that during the course of CIRP as many as 5 CoC meeting were held. Pursuant to the initiation of CIRP, a public announcement in Form A was published on 17.10.2020 in Financial Express (English) and Navkaal (Marathi).

4. Thereafter, in the 1st CoC meeting held on 10.11.2020, the Applicant received one claim from one Operational

Creditor. The Applicant sent a communication to the Company for the submission of the books of accounts and other records. The CoC in the said meeting proposed the IRP to continue as the Resolution professional (RP) of the Corporate Debtor.

5. In the 2nd CoC meeting held on 28.11.2020, the Applicant placed a proposal for appointment of Registered Valuers to get the valuation of the assets of the Corporate Debtor. The CoC approved appointment of Mr. Bhavesh Rathod and Ms. Neelam Modi as the Registered Valuers. In the said meeting, publication for the invitation of Expression of Interest (EoI) from the prospective Resolution Applicants was discussed and decided to be called.

6. The Expression of Interest (EoI) was issued on 23.12.2020 inviting prospective Applicants to submit EoI in Form G in Free Press Journal (English) and Navrashtra (Marathi).
7. In the 3rd CoC meeting held on 07.01.2021, valuation report of the Registered Valuer and placed before the CoC. The Applicant also apprised the members of the CoC about two responses received from EoI.

8. In the 4th COC meeting held on 12.02.2021, wherein the Applicant informed the CoC that the Letter of Undertaking had been forwarded to the prospective Applicants but had not received any response for the Information Memorandum and Letter of Undertaking from the two responses as received from EoI published. Hence, it was

decided and agreed by the members of the CoC as there being no prospect of any Resolution Plan, it would be viable to liquidate the Corporate Debtor Company.

9. Thus, in the 5th CoC meeting held on 15.03.2021, the CoC with 100% voting share passed a Resolution for liquidation of the Corporate Debtor and to appoint the Applicant Ms. Nishi Jain, to act as liquidator. Further, the fees of the Liquidator will be paid as approved by the CoC. The relevant extract of the resolution passed in its 5th CoC meeting are as follows :-

*"**RESOLVED THAT** consent of the Members of the CoC of the Corporate Debtor be and is hereby accorded to proceed for Liquidation of the Corporate Debtor i.e. Salasar Enterprises Private Limited under Section 33(2) of the Insolvency and Bankruptcy Code, 2016, subject to the approval of the Adjudicating Authority."*

*"**RESOLVED FURTHER THAT** an Application under Section 33(2) of the Insolvency and Bankruptcy Code, 2016, before the Adjudicating Authority for liquidation of the Corporate Debtor i.e. Salasar Enterprises Private Limited be filed by the Resolution Professional/Liquidator and the RP/Liquidator be and is hereby authorized to do all such deed(s)/act(s)/action(s) to give effect to it."*

10. Looking at the Application and averments, we are of the considered opinion that this is a fit case for liquidation,

therefore, we hereby order for liquidation of the Company with following directions :-

a. Upon perusal of the documents, records made available and submissions of the Counsel for the RP in the fifth CoC meeting held on 15.03.2021, the CoC decided to Liquidate the Corporate Debtor and directed the RP to file an application under section 33 (2) of the Code for liquidation of the Corporate Debtor.

b. In view of the decision of the CoC, we are inclined to admit the **IA 971/2021 in CP 1427/2019** to initiate liquidation process against the Corporate Debtor. Accordingly, the Adjudicating Authority Orders for initiation of Liquidation of the Corporate Debtor.

c. In view of the above this Bench hereby appoints **Ms. Nishi Jain** as Liquidator having [Reg. IBBI/IPA-001/IP-P01662/2019-20/12664], having its address at A-102, Krishna Tower, Ashok Nagar, Kandivali East, Mumbai - 400101, as Liquidator in terms of section 34(1) of the Code.

d. The fees of the liquidator to be paid as approved by the CoC.

e. The Liquidator shall initiate the liquidation process as envisaged under Chapter-III of the Code and the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016;

f. Whenever the Liquidator issues any publication in the newspapers, the said shall be published in widely circulated newspapers in the State in which the Registered office of the Company is incorporated.

g. Public Notice shall be issued in two newspapers, *viz.,* in *Times of India/Business Standard* (English) and *Navshakti* (Marathi), stating that the Corporate Debtor is in liquidation, as required in terms of section 33(1) of the Code;

h. All the powers of the Board of Directors and key managerial persons of the Corporate Debtor shall cease to exist. All these powers shall henceforth be vest with the Liquidator;

k. The personnel of the Corporate Debtor are directed to extend all co-operation to the Liquidator as required by him in managing the liquidation process of the Corporate Debtor;

l. On initiation of the liquidation process but subject to section 52 of the Code, no suit or other legal proceeding shall be instituted by or against the Corporate Debtor save and except the liberty to the liquidator to institute suit or other legal proceeding on behalf of the Corporate Debtor with prior approval of this Adjudicating Authority, as provided in section 33(5) of the Code read with its proviso;

m. 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

Corporate Debtor continued during the liquidation process by the Liquidator;

n. A copy of this order shall be served by the Applicant/ RP on the Registrar of Companies, Maharashtra, Mumbai, within whose jurisdiction the Corporate Debtor has been registered, for updating the Master Data of the Corporate Debtor.

p. **IA 971 of 2021 is allowed.** File to be consigned to records.

Sd/-

SHYAM BABU GAUTAM
MEMBER (TECHNICAL)

Sd/-

JUSTICE P.N. DESHMUKH
MEMBER (JUDICIAL)