

IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
COURT-IV

I.A. (IBC) (Liq.)/(9/2024)
 IN

C.P. IB NO 741 (ND) OF 2020

IN THE MATTER OF:

RAJESH KUMAR PARAKH
 Interim Resolution Professional
 Prominent Polymers Private Limited

...Applicant

Versus

MR. SANDEEP KUMAR BHATT
 Liquidator of Newgen Specialty Plastics Limited
 Sole Member
 CoC of Prominent Polymers Private Limited

... Respondent

AND IN THE MATTER OF:

NEWGEN SPECIALITY PLASTICS LIMITED

...Operational Creditor

Versus

PROMINENT POLYMERS PRIVATE LIMITED

... Corporate Debtor

Order Delivered on: 09.03.2026

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM
 HON'BLE MEMBER (JUDICIAL)

SHRI ATUL CHATURVEDI
 HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant : Mr. Rachit Ranjan, Advocate.

For the Respondent : SK Bhatt, CMA- Liquidator along with Mr. Kamal

Deep Tyagi, CMA.



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Date of Order: 09.03.2026

(Signature)
 13/03/2026



ORDER

PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)

1. The present Application has been filed by the Applicant, namely Mr. Rajesh Kumar Bhatt, the Interim Resolution Professional ("IRP") of Prominent Polymers Private Limited ("Corporate Debtor") under the provisions of Section 33 of Insolvency and Bankruptcy Code, 2016 ("Code"), seeking the following reliefs:

- i. *Pass an Order for initiation of liquidation process of the corporate debtor i.e. Prominent Polymers Private Limited under section 33 (1) of the Insolvency and Bankruptcy Code, 2016;*
- ii. *Pass an Order for appointment of Liquidator from the panel of Insolvency Professionals maintained by the Registry of the National Company Law tribunal;*
- iii. *Pass such other orders/ directions as this Hon'ble Adjudicating Authority may deem fit and proper in the facts and circumstances of the case.*

2. SUBMISSIONS OF THE APPLICANT:

- i. An Application for Corporate Insolvency Resolution Process ("CIRP") was filed by Newgen Speciality Plastics Limited against Prominent Polymers Private Limited, under Section 9 of the Code read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016 and this Adjudicating Authority initiated CIRP vide Order dated 25.05.2022.
- ii. Thereafter, the IRP made Public Announcement on 28.05.2022 in Financial Express (English) Delhi and NCR editions and Jansatta (Hindi) Delhi and NCR edition inviting claims from the creditors of the Corporate Debtor.
- iii. Only one claim was received, collated and verified by the IRP and Report certifying the constitution of the committee of creditors "(CoC)" and the Report on List of Creditors was filed by the Applicant and taken on record by this



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Adjudicating Authority. The Committee of Creditors containing the details of amount admitted and % of voting rights are as follows:

S. No	Creditors	Class of Creditors	Amount Claimed (Rs.)	Amount Admitted (Rs.)	% of Voting Right
1.	Newgen Specialty Plastics Ltd.	Operational Creditor	1,53,85,531/-	92,45,001/-	100%
	Total		1,53,85,531/-	92,45,001/-	100%

- iv. On 24.06.2022, the IRP convened and held the First meeting of the CoC of the Corporate Debtor. During the meeting, comprehensive deliberations transpired encompassing the particulars of the Public Announcement, the status of the Corporate Debtor's asset possession and an extensive discourse on the current state of the Corporate Debtor's business. During the meeting, Mr. Navneet Mittal, sole representative of the suspended Board of Directors of the Corporate Debtor, apprised the IRP that the operational activities of the Corporate Debtor had been shut down and presently the Corporate Debtor is not engaged in any business pursuits. The CoC did not approve any agenda, including the agenda "to consider and ratify fee of the Interim Resolution Professional," and all the agendas got deferred.
- v. The IRP, along with his team members, visited the Registered Office at Plot No. A-609 G/F, GD Colony Mayur Vihar-III Delhi-110096 which was non-existent in the said premises. The IRP enquired from the local people about the office of the Corporate Debtor to which they conveyed their ignorance. The IRP searched about the details of the Corporate Debtor on internet where he came across one address and mobile number of the Corporate Debtor situated at D-247, Sector-10, Noida-201301. The IRP along with his team members





visited the said site. However, this location was also closed. The IRP enquired from the local people about the office of the Corporate Debtor. The IRP was conveyed that office of the Corporate Debtor was closed two-three years back. Thereafter, the IRP tried to connect to the mobile no. (9811167330). On call, the same was responded by the member of suspended Board of Directors i.e. Mr. Navneet Mittal. He apprised the IRP that the operations of the Corporate Debtor were closed around three years back due to financial crunch and the Corporate Debtor was not doing any business now. He was apprised by the IRP that CIRP has been initiated against the Corporate Debtor and intimation in this regard was sent to the suspended Board via email which was obtained from the MCA Website. Mr. Navneet Mittal also visited the office of the IRP where the IRP handed over the letter containing list of documents required for running the CIRP. Mr. Navneet Mittal informed that he was in dire financial situation and will try to provide the documents and details required by the IRP at the earliest.

- vi. The IRP also contacted the Statutory Auditor of the Company. On enquiry, it was informed by CA, Partner of the Audit Firm, (Goya Malhotra and Associates) that the Corporate Debtor had not approached him since more than one year and his professional fee was also outstanding for long. The Suspended Board of Directors have not provided any details/documents pertaining to the management and affairs of the Corporate Debtor. Therefore, the IRP had filed an Application against the suspended board of directors under Section 19(2), captioned I.A No. 3902/2022 of the Code seeking cooperation of the suspended board of directors in the CIRP of the Corporate Debtor.
- vii. On 14.11.2022, the 2nd CoC meeting for the Corporate Debtor was convened and held. In the 2nd meeting, the CoC did not approve any agenda including essential agendas like "fee of the Interim Resolution Professional", "expenses incurred during CIRP" and "Appointment of various professionals". However,





the CoC member suggested that agenda items should be deferred as the Liquidator of Newgen Specialty Plastics Limited had to consult its stakeholders. Therefore, upon insistence of CoC Member(s), the IRP decided to defer the agendas and to send the agenda wise list of Voting Items to CoC Member for their decision on the same.

- viii.** During the said meeting, IRP conveyed updates on CIRP. It was disclosed to the CoC that Newgen Speciality Plastics Limited stands as the sole member possessing 100% voting rights within the committee. The IRP apprised the CoC about filing of an application under section 19(2) of the Insolvency and Bankruptcy Code, 2016, which was filed on 10th August, 2022 against the members of suspended Board of Directors for non-cooperation. Furthermore, the CoC was informed about a State Bank of India's account of the Corporate Debtor and also that the IRP has issued directives to freeze the operations of current accounts and financial instruments, emphasizing the need for prior consent before honouring any debit transactions. Additionally, the IRP shared details regarding compliance with Regulation 13(2)(d) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, highlighting the submitted claims.
- ix.** Meanwhile, the only member of the Committee of Creditors i.e. Newgen Specialty Plastics Ltd. instructed the IRP to file for early dissolution via emails dated 19.07.2022, 01.12.2022 and 23.01.2023.
- x.** The Applicant forwarded the Agenda and notice for 3rd meeting of the members of the CoC vide email dated 27.01.2023, but the sole member of the CoC in response to the Applicant's email suggested that there is no use of the meeting as everything is concluded in the 2nd CoC meeting.
- xi.** Pursuant to the directions of the only member of the CoC i.e. Newgen Specialty Plastics Ltd., the IRP filed an application for early dissolution of the Corporate Debtor dated 13.02.2023. However, as an Application under section 19(2) of Code by the Interim Resolution Professional (IRP) against the suspended





Board of Directors for non-cooperation, the Adjudicating Authority identified a conflict between the two. Consequently, the application under Section 54, read with Rule 14 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, was withdrawn, due to which the fourth meeting of the CoC was called on 12.04.2023. In the Fourth CoC meeting, the same was communicated. The IRP also informed the committee of the creditors that having regards to the fact that 180 days of the corporate insolvency resolution process already expired on 21.11.2022 and due to the non cooperation of the suspended Board of Directors and non-availability of requisite documents, the IRP was unable to perform his duties. The IRP also informed that except bank statement of one bank account of the corporate debtor, no other documents and records pertaining to the management of records of corporate debtor were found. There are no business premises occupied by the corporate debtor and the corporate debtor is not doing any business currently. The IRP also informed that he cannot form an opinion as to fraudulent/unlawful activities of the Corporate Debtor as the appointment of the forensic auditor was not approved by the member(s) in the second meeting of the CoC. The CoC also requested the IRP to share his opinion about the dissolution/withdrawal of CIRP against the Corporate Debtor. To this the IRP shared his opinion in the minutes of the meeting that withdrawal was more feasible in view of the fact that there was no asset with the Corporate Debtor and liquidation would result in additional financial burden on the CoC. The IRP further informed the CoC that resolution for withdrawal/liquidation needs to be passed on urgent basis, as the term of the CIRP has already expired, and an application to this effect must be filed at the earliest.

xii. The Liquidator, representing the sole member of the CoC, Newgen Speciality Plastics Limited, convened the 17th Stakeholders' Consultation Committee (SCC) meeting on 20.07.2023, wherein approval of the IRP's fee and CIRP expenses, along with issues relating to the ongoing CIRP of Prominent





Polymers Pvt. Ltd., were placed on the agenda. However, none of the items were approved. Similar circumstances prevailed in the 18th SCC meeting held on 07.08.2023 (adjourned to 09.08.2023 due to the unavailability of Punjab National Bank officials), where the proposed IRP fee again failed to receive approval.

- xiii.** The 19th SCC meeting, initially convened on 27.09.2023, was adjourned at the request of the representative of Newgen Speciality Plastics Limited citing ongoing arbitration proceedings and rescheduled to 03.10.2023. Owing to issues concerning Punjab National Bank, the meeting could not proceed and was further deferred to 06.10.2023. Despite repeated deliberations, the agenda relating to the IRP's fee and CIRP expenses remained unresolved.
- xiv.** In view of the prolonged stalemate, the Liquidator made repeated follow-ups with the SCC through emails. On 22.10.2023, the Liquidator informed the SCC that more than three months had elapsed without any decision. On the same date, the IRP also raised concerns regarding delay in CIRP proceedings. Reminders were again issued on 05.12.2023, and it was communicated on 06.12.2023 that Punjab National Bank, a major stakeholder, was unwilling to even pay Rs.1,00,000 as earlier discussed. Ultimately, to avoid further delay and in the interest of expediting the CIRP, the IRP agreed to accept a consolidated fee of Rs. 4,00,000, which has already been paid, and further waived any additional entitlement, demonstrating bona fide adherence to the objectives of the IBC.
- xv.** On 27.01.2024, the representative of the sole CoC member had also urged the IRP to either expedite or conclude the CIRP at the earliest, leaving the course of action to the IRP's discretion.
- xvi.** Subsequently, in the Fifth CoC meeting held on 02.02.2024, at the request of the sole COC Member, a resolution for withdrawal of CIRP against the Corporate Debtor in accordance with Section 12A of the Insolvency and Bankruptcy Code, 2016, was placed before the COC. The resolution was





successfully passed with 100% vote(s) in favour by Newgen Speciality Plastic Limited, the sole member of the Committee of Creditors. Accordingly, the IRP Filed the Application IA 602/2024 for withdrawal of the CIRP Thereafter, the Adjudicating Authority dismissed the withdrawal application holding that as 180 days in the CIRP of the corporate debtor had already expired and no application for extension or exclusion was filed and considering the fact that 618 days since the commencement of CRP has already happened, the withdrawal of the CIRP cannot be permitted.

xvii. The instant Application for liquidation under section 33(1)(a) is being filed before this Hon'ble Adjudicating Authority by the IRP in compliance of order dated 29.02.2024 passed by the Adjudicating Authority. It is trite law that after completion of the period specified in section 12 of the code, the Adjudicating Authority can pass order under section 31 of the code, if a Resolution plan has been approved by the CoC and in absence of any Resolution plan, the Adjudicating Authority may pass an order under section 33 initiating liquidation proceeding against the Corporate Debtor.

3. SUBMISSIONS OF THE RESPONDENT:

- i.** The Respondent is seeking to revive the application for dissolution in IA 1053/2023 and to allow such application and dissolve the Corporate Debtor as neither the COC is interested to continue the process nor any Liquidation order has been passed till date.
- ii.** On 24.06.2022, 1st CoC was held and after reviewing all the financials, the mail was sent by the COC on 19.07.2022 followed with further mail dated 02.08.2022 and 31.08.2022 to file application for Liquidation as CD does not have any asset and recover and trace the assets of the CD but there has been no revert.
- iii.** The 2nd CoC meeting was held on 14.11.2022 wherein it is recorded that the CoC gave mandate for Liquidation whereas the CoC had given the mandate for filing application for dissolution. The minutes recorded the wrong aspects





and for which mail dated 01.12.2022, 23.01.2023, 30.01.2023 and 16.02.2023 were sent to correct the minutes and file application for dissolution but no feedback could be received.

- iv. A notice of 3rd CoC meeting was sent on 27.01.2023 wherein the COC replied on 30.01.2023 that there is no purpose of meeting as CIRP period has expired on 21.11.2022 and CoC has already given its mandate vide mails dated 19.07.2022, 01.12.2022 and 23.01.2023 to file application for Liquidation/dissolution. No minutes of this CoC is received till date.
- v. As informed by the IRP, the CD was having no assets and he also could not get any cooperation from the suspended board, hence he filed application for non-cooperation in IA 3902/ND/2022 wherein notice was issued on 18.08.2022 and was finally disposed vide order dated 10.03.2023 giving directions to the suspended directors to provide all information but as reported to us, the directors never provided any cooperation and the IRP failed to initiate further proceedings for the Contempt of Court.
- vi. The IRP filed the application for early dissolution on 13.02.2023 in IA 1053/ND/2023 on which notice was issued on 16.02.2023 and the same was wrongly withdrawn on 10.03.2023 as IRP could not convince the Court.
- vii. In the 4th CoC meeting held on 12.04.2023 it is recorded that the COC has resolved to file application for early dissolution and accordingly, the IRP filed such application in IA 1053/2023 and intimated that he has withdrawn the same. However, the withdrawal was never approved by the COC. Such meeting has no sanctity as the CIRP Period has already expired on 21.11.2022 and the CoC has already resolved the early dissolution in 2nd CoC meeting held on 14.11.2022.
- viii. The 5th CoC meeting was held on 02.02.2024 and the same was conducted after ten months after 4th COC meeting .
- ix. The IRP could not proceed further properly, then the Stakeholders resolved to the withdraw the main petition to avoid any further cost and as per resolution





passed in 5th CoC meeting, the IRP filed application for withdrawal u/s 12A of the IB Code, 2016 in IA 602/2024 and the same is recorded in the order dated 14.02.2024 of the Ld. AA. By reading the order dated 29.02.2024, it is revealed that the Ld. AA gave an option to the IRP to withdraw the application for non-cooperation or the application for dissolution. The IRP instead of withdrawing the application for non-cooperation, withdrew the application for early dissolution on 10.03.2023 which is wrong and does not match with the mandate of CoC.

- x. No agenda of extension of time was moved ever, hence the pertinent aspects are as under:
- a. In the first CoC meeting held on 24.06.2022, the CoC has given mandate to file application for Liquidation.
 - b. In the second CoC meeting held on 14.11.2022, the CoC had given mandate for dissolution for which three mails were sent to correct the minutes.
 - c. The CIRP period of 180 days expired on 21.11.2022 and before that the CoC had given mandate to file application for early dissolution and all the CIRP Cost has been paid as recorded in the 5th CoC meeting.
 - d. The IRP filed dissolution application on 13.02.2023 i.e., after three months of the mandate given by the CoC in 2nd CoC meeting. Further, such application was withdrawn wrongly on 10.03.2023 without mandate of the CoC which is also recorded in the order dated 29.02.2024, whereas the IRP was required to withdraw the application for non-cooperation as the Ld. AA was not satisfied.
 - e. No proposal for extension of time was placed before the CoC and no such application was filed, hence any action after expiry of CIRP period i.e., 21.11.2022 is void in Law, hence any recording or resolution(s) mentioned in the 3rd, 4th and 5th CoC meetings are void.





i. As there are no assets, hence there is no purpose of any Liquidation and withdrawal cannot be made as the CIRP period had already expired on 21.11.2022, hence the respondent vide mail dated 07.12.2024 asked the IRP to file application for the revival of application of dissolution in IA 1053/2023 and seek appropriate order(s) from the Ld. AA in view of several judgements. Reliance has been placed on **Janak Jagjivan Shah (RP) Vs CoC of Rainbow Infrabuild Pvt Ltd in Company Appeal No CA(AT)(I) No 1406/ 2024 vide order dated 28.10.2024.**

xii. As the CoC in the 1st CoC meeting resolved for the Liquidation and in 2nd CoC meeting resolved for the dissolution within the CIRP period and the application for dissolution was filed on 18.02.2023 and being misconceived was withdrawn wrongly by the IRP.

4. **ANALYSIS AND FINDINGS:**

- i. We have heard the submissions of the Ld. Counsel of both the parties and have perused the record.
- ii. The present Application has been filed by the Interim Resolution Professional under Section 33(1)(a) of the Insolvency and Bankruptcy Code, 2016 seeking initiation of liquidation of the Corporate Debtor in compliance with the directions of this Adjudicating Authority vide order dated 29.02.2024.
- iii. It is the case of the Applicant that the CIRP could not be meaningfully conducted due to complete non-cooperation of the suspended Board of Directors and non-availability of books, records and assets of the Corporate Debtor. Except for one bank statement, no records were available. The registered office and other addresses of the Corporate Debtor were found non-existent and it was informed that the business had been closed for two to three years prior to initiation of CIRP. Only one claim was received and the CoC consisted of a sole member, Newgen Speciality Plastics Limited. The CoC repeatedly deferred essential agenda items including approval of IRP fee,





appointment of professionals and forensic auditor. An application under Section 19(2) had to be filed for non-cooperation of the suspended directors.

- iv. It is further submitted that the sole CoC member insisted upon filing of an application for early dissolution on the premise that the Corporate Debtor had no assets. An earlier application for dissolution was filed but withdrawn due to pendency of the Section 19(2) proceedings. Subsequently, an application for withdrawal under Section 12A was also rejected by this Adjudicating Authority as the CIRP period had long expired and that 618 days since the commencement of CIRP are already gone. In these circumstances and in compliance with the order dated 29.02.2024, the present application under Section 33 has been filed.
- v. The Respondent, on the other hand contends that the CoC had, within the CIRP period, already mandated filing of an application for dissolution as the Corporate Debtor had no assets and was non-functional. It is argued that the minutes of the CoC meetings incorrectly recorded liquidation instead of dissolution and that the IRP wrongly withdrew the earlier dissolution application without mandate of the CoC. It is further contended that no extension of CIRP period was ever sought and therefore any action taken after 21.11.2022 is void in law. According to the Respondent, as there are admittedly no assets, liquidation would serve no purpose and would only increase costs. Reliance is placed on **Janak Jagjivan Shah (RP) Vs CoC of Rainbow Infrabuild Pvt Ltd in Company Appeal No CA(AT)(I) No 1406/2024** to contend that where there are no assets, direct dissolution is permissible. The Respondent, therefore, seeks revival of the earlier dissolution application and prays for dissolution of the Corporate Debtor instead of liquidation.
- vi. This Adjudicating Authority notes that the present case is one where the CIRP has completely failed in substance, not due to any procedural lapse, but owing to the non-existence of any economic substratum of the Corporate Debtor.





The record unmistakably establishes that the Corporate Debtor has remained non-operational for several years, has no office, no employees, no assets, no books of accounts, and no ongoing business whatsoever.

- vii.** It is also not in dispute that there is only one creditor, holding 100% voting share in the CoC, which has throughout the process expressed its unwillingness to incur further costs in a proceeding that has no possibility of value realisation
- viii.** Liquidation under Chapter III of the Code is not an end in itself. It is a mechanism intended to realise value from the assets of the Corporate Debtor and distribute the proceeds in accordance with the waterfall mechanism. In the present case, where no assets exist and no realisation is possible, ordering liquidation would be a purely ritualistic exercise, entailing appointment of a liquidator, incurring further costs, and prolonging proceedings without advancing any of the objectives of the Code.
- ix.** The Insolvency and Bankruptcy Code, 2016 is a beneficial legislation aimed at time-bound resolution, value maximisation, and avoidance of unnecessary erosion of resources. A pragmatic approach is to be adopted instead of mechanically pushing a Corporate Debtor through liquidation when it is demonstrably clear that such process would serve no purpose. The Code does not mandate continuation of a futile process merely for the sake of procedural completion.
- x.** In the peculiar facts of the present case, this Adjudicating Authority is of the considered view that continuation of the insolvency framework through liquidation would amount to wastage of judicial time, professional effort and creditor resources, and would run contrary to the spirit and objectives of the Code. Where the Corporate Debtor is a shell with no assets, no operations and no possibility of recovery, dissolution is the most efficient, equitable and legally appropriate course.





Accordingly, this Adjudicating Authority is of the considered view that the present application warrants bringing the Corporate Debtor to an end through dissolution, in order to put an end to the proceedings that have otherwise reached a dead end.

- xii.** In view of the above discussion, **Prominent Polymers Private Limited** stands **dissolved** with immediate effect.
- xiii.** It is clarified that dissolution of the Corporate Debtor would not in any way absolve the Promoters/Directors of the Corporate Debtor from any personal liability or guarantee given in respect of the Corporate Debtor, under any law for the time being in force.
- xiv.** Upon dissolution of the Corporate Debtor, the records of the Company which are in possession of the IRP, be handed over by the IRP to the IBBI.
- xv.** The Registry is directed to send a copy of this order to the ROC Delhi & Haryana, with which the Corporate Debtor is registered and the IBBI within seven days from the date of this order.

-SD/-

ATUL CHATURVEDI
MEMBER (TECHNICAL)

-SD/-

MANNI SANKARIAH SHANMUGA SUNDARAM
MEMBER (JUDICIAL)



[Handwritten Signature]
13/03/2026

[Handwritten Signature]
13.03.2026

Deputy Registrar
National Company Law Tribunal
CGO Complex, New Delhi-110006