

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

IA. No. 2333/2022

**In
CP(IB)No. 1434/MB/C-II/2017**

*Application filed under section 33 (2) of Insolvency and
Bankruptcy Code, 2016.*

**Sekar Ananthanarayan, RP of
E-Global Trading Limited.**

...Applicant

In the matter of

Daimler Financial Services Pvt. Ltd.

...Financial Creditor

V/s

E-Global Trading Limited.

...Corporate Debtor

Order Pronounced on :- 15.09.2023

Coram:

Anil Raj Chellan : Kuldip Kumar Kareer

Member Technical : Member Judicial

Appearances (through video conferencing)

For the Applicant : Mr. Vighnesh, Adv.

ORDER

Per : Kuldip Kumar Kareer, Member Judicial

1. It is an application filed u/s 33 (2) of the Insolvency & Bankruptcy Code, 2016 by Mr. Sekar Ananthanarayan, Resolution Professional (RP) of E-Global Trading Limited seeking liquidation order based on the resolution passed by the CoC in its 6th meeting held on 02.08.2022
2. On perusal of this application, it appears that CP No. (IB)-1434 (MB)/2017 was admitted by this Tribunal on 03.07.2019 and the Applicant herein was appointed as Interim Resolution Professional (IRP). The Applicant issued a public announcement dated 06.07.2019 and invited claims from its creditors.
3. Pursuant to the public announcement, only one Financial Creditor namely Daimler Financial Services Pvt. Ltd. abovenamed filed its claim of Rs. 1,98,49,226/-.
4. In the first CoC meeting held on 14.08.2019, the IRP was appointed as the Resolution Professional (RP). The suspended Director of the Corporate Debtor Mr. Siddharth Mandavia was present in the meeting and stated that the Company is not carrying any operations.

5. Further, the Applicant in the second CoC meeting held on 16.08.2019, the Applicant states that various emails were sent to the Corporate Debtor requesting to provide financial information, documents, records and information as sought by the Applicant. Due to lack of availability of documents and information, the Applicant was unable to proceed on the preparation of the Information Memorandum and hence could not take charge and custody of the assets of the Corporate Debtor.
6. In the third CoC meeting held on 24.10.2019, the RP informed the the CoC that after repeated follow ups and mails sent to the Corporate Debtor, the suspended Director Mr. Siddharth Mandavia submitted limited documents and information and based on the submissions, the Information Memorandum was updated. Meanwhile, the suspended Director of the Corporate Debtor expressed its desire to settle the claim of the Financial Creditor and offered to submit a proposal for settlement.
7. In the fourth CoC meeting held on 16.01.2020, the CoC approved the draft invitation for Expression of Interest (EoI) and also resolved that the RP would publish the invitation for EoI. Further, the RP was directed to apply for extension of CIRP period up to 270 days. The fifth CoC meeting could not be scheduled on account of lockdown imposed due to Covid-19 pandemic. The Applicant being senior citizen was advised to avoid going out of home and hence limited steps were taken during Covid-19 period.

IN THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH, COURT II

IA. No. 2333/2022

In

CP(IB)No. 1434/MB/C-II/2017

8. In the period of lockdown, the Applicant was not able to contact the suspended director of the Corporate Debtor and the Applicant was informed that the suspended director was held up in Dubai due to lockdown. Since then the Applicants attempts to contact the suspended director failed and hence there has been no progress in the CIRP of the Corporate Debtor. The said situation was duly explained to the CoC in the sixth meeting held on 02.08.2022 and the Applicant also informed the CoC that there was no response to the invitation for the EoI. The Applicant has further stated that since the timelines within which the CIRP period was to be completed has expired and no Resolution Plans has been received, there was no other option left except the liquidation of the Corporate Debtor. The CoC approved the proposal to liquidate the Corporate Debtor in the 6th CoC meeting held on 02.08.2022. The Applicant has further stated that it would not be possible for him to act as the liquidator in this case.
9. Accordingly, in the seventh CoC meeting held on 12.08.2022, the CoC approved the appointment of Mr. Paresh Chandulal Mehta Registered Insolvency Professional (Registration No. IBBI/IPA-003/IP-N000099/2017-18/11008) to act as liquidator. Copy of the consent letter issued by Mr. Paresh Chandulal Mehta is annexed in the petition.
10. Since the Corporate Debtor is not in possession of any assets. Hence, the object of maximization of value of the Corporate Debtor as a going concern

is not a possibility in this case. The CoC has accordingly decided/resolved to liquidate the Corporate Debtor.

11. The relevant extracts of the resolution passed in sixth CoC meeting held on 02.08.2022 are as follows:

“RESOLVED THAT pursuant to CP No. (IB)-1434/(MB)/2017 in the matter of E-Global Trading Limited (Corporate Debtor), the committee of creditors consisting of one financial creditor namely Daimler Financial Services Private Limited approved the initiation of liquidation of Corporate Debtor

RESOLVED FURTHER THAT the Resolution Professional, CS Sekar Ananthanarayan be and is hereby authorised to file the application before the National Company Law Tribunal, Mumbai Bench for liquidation of the Corporate Debtor under Section 33(2) of the IB Code 2016.”

12. Looking at the application and averments made therein, we are of the considered opinion that this is a fit case for liquidation. Therefore, we hereby order for the liquidation of the company with the following:

- a. The **Mr. Paresh Chandulal Mehta**, holding Registration No. **IBBI/IPA-003/IP-N000099/2017-2018/11008**, is appointed as the Liquidator in terms of Section 34 of the Code;
- b. Registry is directed to communicate this Order to the Registrar of

Companies, Mumbai and to the Insolvency and Bankruptcy Board of India;

- c. The Order of Moratorium passed under Section 14 of the Insolvency and Bankruptcy Code, 2016 shall cease to have its effect and a fresh Moratorium under Section 33(5) of the Insolvency and Bankruptcy Code shall commence;
- d. This order shall be deemed to be a notice of discharge to the officers, employees and the workmen of the corporate debtor as per Section 33(7) of the Insolvency and Bankruptcy Code, 2016;
- e. The Liquidator is directed to proceed with the process of liquidation in a manner laid down in Chapter III of Part II of the Insolvency and Bankruptcy Code, 2016 and in accordance with the relevant rules and regulations.
- f. The Liquidator shall follow up and continue to investigate the financial affairs of the Corporate Debtor in accordance with provisions of Section 35(1) of the Code.
- g. The liquidator shall also follow up the pending applications for their disposal during the process of liquidation including initiation of steps for recovery of dues of the Corporate Debtor if any as per law.

IN THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH, COURT II

IA. No. 2333/2022

In

CP(IB)No. 1434/MB/C-II/2017

- h. The Liquidator shall submit a Preliminary Report to the Adjudicating Authority within seventy-five days from the liquidation commencement date as per Regulation 13 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016;
- i. Copy of this order be sent to the financial creditors, corporate debtor, the Liquidator for taking necessary steps.

13. The **IA-2333/2022** filed by the RP for Liquidation of the Corporate Debtor stands **allowed accordingly in aforesaid terms.**

Sd/-

ANIL RAJ CHELLAN

(MEMBER TECHNICAL)

Sd/-

KULDIP KUMAR KAREER

(MEMBER JUDICIAL)