

NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT-II

23. IA 5770/2023 in C.P. (IB)/515(MB)2020

CORAM:

SHRI ANIL RAJ CHELLAN
HON'BLE MEMBER (T)

SHRI KULDIP KUMAR KAREER
HON'BLE MEMBER (J)

**ORDER SHEET OF THE HEARING OF MUMBAI BENCH OF THE
NATIONAL COMPANY LAW TRIBUNAL ON 16.05.2024**

**NAME OF THE PARTIES:- Raghunath Bhandari Resolution
Professional
IN THE MATTER OF
Esoteric Trading Pvt. Ltd.
V/s
Greenleaf Commerce Pvt Ltd.**

**Section: Application under any other provisions- IBC U/s 7 of
Insolvency and Bankruptcy Code, 2016**

ORDER

IA 5770 of 2023:- Counsel, T N Chandrasekar appeared for the
RP/Applicant through VC and Mr. Raghunath Bhandari, Resolution
Professional present in person through VC. Detail order will follow vide
separate sheet.

Sd/-

ANIL RAJ CHELLAN
Member (Technical)
ANKIT

Sd/-

KULDIP KUMAR KAREER
Member (Judicial)



Certified True Copy

Copy Issued "free of cost"

On 05/06/2024

Deputy Registrar

**National Company Law Tribunal Mumbai Bench
(D.5352) 04/6/2024**

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

IA. No. 5770/2023

In

CP(IB)No.515/MB/CII/2020

*Application filed under section 33(1)(a) of
Insolvency and Bankruptcy Code, 2016 and Rule 11
of the National Company Law Tribunal Rules,
2016.*

Raghunath Bhandari, RP of
Greenleaf Commerce Pvt Ltd

...Applicant

In the matter of

Esoteric Trading Pvt Ltd.

...Financial Creditor

V/s

Greenleaf Commerce Pvt Ltd.

...Corporate Debtor

Order Pronounced on :- 16.05.2024

Coram:

Anil Raj Chellan

: Kuldip Kumar Kareer

Member Technical

: Member Judicial

Appearances :-

For the Applicant

: Adv. T N Chandrasekar

Resolution Professional

: Mr. Raghunath Bhandari



ORDER

Per : Coram

1. It is an application filed u/s 33(1)(a) of the Insolvency & Bankruptcy Code, 2016 (Code) by Mr. Raghunath Bhandari, Resolution Professional (RP) of Greenleaf Commerce Pvt Ltd seeking liquidation order based on the resolution passed by the Committee of Creditors (CoC) **in its 4th meeting held on 09.11.2023**
2. On perusal of this application, it appears that CP No. (IB)-515(MB)/2020 was admitted by this Tribunal on 25.11.2022 and the Mr. Mr. K. Venkata Ramana was appointed as Interim Resolution Professional (IRP). Further, Mr. Ramana filed an IA No. 1888 of 2013, seeking replacement and the appointment of Mr. Pranav Damania as the IRP of the Corporate Debtor. This Tribunal, in its discretion, considered the application and subsequently issued an order dated May 11, 2023 appointing Mr. Pranav Damania as the Interim Resolution Professional of Corporate Debtor. Thereafter, IRP in compliance with section 13,15 and other applicable sections of the Code, published Form A issuing public announcement dated 20.05.2023 inviting claims from the Creditors of the Corporate Debtor and upon receipt of the claims, a CoC was formed constituting only one Financial Creditor i.e. Esoteric Trading Pvt Ltd having 100% voting share.
3. The IRP notified the Statutory Authorities such as Department of Income Tax and GST about the initiation of the CIRP, inviting claims. As of the application filing date, no claims have been forthcoming from either the Statutory Authorities or the employees/workmen. Copies of letters sent to



the Statutory Authorities regarding the commencement of CIRP is appended in Annexure E.

4. In the 1st CoC meeting held on 16.06.2023, the CoC member expressed a desire to replace Mr. Damania. After deliberation, in the 2nd CoC meeting, Mr. Damania was replaced as the IRP, and the Applicant was appointed as the Resolution Professional (RP). Subsequently, the CoC filed a petition (IA No. 4113 of 2023) on 23.08.2023, seeking Mr. Damania's replacement and the appointment of the Applicant as the RP of Corporate Debtor and same was allowed by this Tribunal vide order dated 20.10.2023.
5. However, the IRP Mr. Damania continued to act as the deemed RP to fulfill his duties till the appointment of the Applicant as RP. The IRP Mr. Damania conducted the first three CoC meetings.
6. Meanwhile, the IRP requested the GST authorities to return the documents seized during a raid in 2019 for the purpose of conducting the CIRP of Corporate Debtor. However, the GST authorities did not return any document nor the Panchnama of the documents.
7. In the 2nd CoC meeting held on 20.07.2023, the IRP appointed two Registered valuers to carry out the valuation of the financial and securities assets of the Corporate Debtor.
8. The IRP filed an application seeking exclusion of 173 days and extending the CIRP from 25.11.2022 till 17.05.2023 on account of time lost between initiation of CIRP of Corporate Debtor and appointment of the Applicant and same was allowed vide order dated 27.07.2023 by this Tribunal.



9. In the 3rd CoC meeting held on 17.08.2023, the IRP appointed Transaction Auditor to analyze and examine all the transactions of Corporate Debtor, covered under sections 43, 45, 50 and 66 of the Code on basis of financial records available. Further, the Transaction Auditor had conducted the transaction audit from 1.04.2016 to 3.07.2019 during which period around 50 ledgers were closed using journal entries. However, after getting management inputs, the Transactional Auditor was satisfied that no transactions was found which could be covered under the avoidance transactions.
10. The IRP published Form G in two newspapers inviting Expression of Interest (EoI) on 21.08.2023 and the last date for submission of EoI was till 05.09.2023. However, no EoI was received to the publication of Form G.
11. The members of the CoC in its 4th CoC meeting held on 09.11.2023, the Applicant placed transaction audit report dated 06.11.2023 before the CoC members intimating that no transactions were observed and found in the report under section 43, 45, 49, 50 & 66 of the Code.
12. Further, as the CIRP period was getting over, the Applicant suggested the member of the CoC to file for the extension of CIRP and the same was rejected by the CoC and proposed the CoC member to invite fresh EoI but the same was also rejected by the CoC. Also, the Applicant suggested the CoC to proceed with liquidation if necessary and the CoC member with 100% voting rights approved it.
13. After discussions, the CoC unanimously passed the following Resolution to liquidate the Corporate Debtor.



14. The relevant extracts of the resolution passed in 4th CoC meeting held on 09.11.2023 are as follows:

“RESOLVED THAT consent of the CoC be and is hereby accorded to file an application under section 33(1)(a) read with Section 34 of the Code to the Adjudicating Authority seeking initiation of the liquidation of the Corporate Debtor and appoint IP, Mr. Raghunath Bhandari having registration no. IBBI/IPA-002/IP-N01023/2020-2021/13276 as Liquidator of the Corporate Debtor.

“RESOLVED THAT an amount of Rs. 1,00,000/- per month plus GST as applicable is fixed as Liquidators fees for the Liquidation Process and reimbursement of actual out of pocket expenses as may be incurred and approved by the Committee of Creditors from time to time, to be paid.”

15. 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 the liquidation of the company within the following terms:

- a. The **Mr. Raghunath Bhandari**, holding Registration No. **IBBI/IPA-002/IP-N01023/2020-2021/13276**, 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.
- h. The Liquidator shall submit a Preliminary Report to the



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

IA. No. 5770/2023
IN
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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.
16. The IA-5770/2023 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)



Certified True Copy
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On 05/06/2024

[Signature]
Deputy Registrar
National Company Law Tribunal Mumbai Bench
(D.5352) 04/6/2024