



NATIONAL COMPANY LAW TRIBUNAL
COURT-I, MUMBAI BENCH

Item No. 21

IA 1450/2022 in C.P. (IB)/2305(MB)2018

CORAM:

MS. ANU JAGMOHAN SINGH

SH. H. V. SUBBA RAO

HON'BLE MEMBER (TECHNICAL) HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF THE HEARING ON **28.07.2023**

NAME OF THE PARTIES: **MACRO LEAFIN PVT LTD V/S SHOWLIN
NETWORK MARKETING PVT LTD**

Sec 33(1) (b) (i) to (iii) r/w Sec 33(3) & 7 of the Insolvency and Bankruptcy
Code, 2016

ORDER

IA 1450/2022

- 1) Ms. Geeta Lundwani, Ld. Counsel for the Applicant, Resolution Professional of the Corporate Debtor is present. The present Interlocutory Application has been filed by the Applicant in his capacity as a Resolution Professional of the Corporate Debtor under Section 33(1) of the Insolvency and Bankruptcy Code, 2016, seeking Liquidation of the Corporate Debtor.
- 2) Corporate Insolvency Resolution Process has been Ordered against the Corporate *vide* and Order dt. 15.07.2019 and the Applicant herein was appointed as the Interim Resolution Professional of the Corporate Debtor. Pursuant to the same, the Applicant had issued public announcement for inviting claims from all the creditors in **Form A**, was published in two



Newspapers, having wide circulation in the area, where the registered office of the Corporate Debtor is situated.

- 3) Pursuant to the same, the Applicant has received, collated claims from the Creditors of the Corporate Debtor and constituted the Committee of Creditors comprising of one Financial Creditor, with 100% voting rights. Thereafter, CoC meeting was held on 06.03.2020, wherein the Applicant informed that the Corporate Debtor has ceased all its working from past few years.
- 4) Further, the Applicant herein was continued as the Resolution Professional of the Corporate Debtor and subsequently, an intimation was also made before the Bench regarding the appointment of the Resolution Professional. The Applicant herein was also authorized to appoint registered valuers for determining the fair and liquidation value of the assets of the Corporate Debtor.
- 5) Accordingly, the Applicant has appointed two registered valuers namely Mr. Modilal Panecha and Mr. Mukesh Jain and taking note of both the valuation Reports, the Applicant has calculated average fair market value and average liquidation value of the assets of the Corporate Debtor as Rs. 28693/-, as on 10.02.2020.
- 6) Applicant further submitted that in the Second CoC meeting it was transacted that as per the Audited Financials of the Company for the year ending 31.03.2019 and as on CIRP commencement date, the Company has



cash and bank balance of Rs. 33, 930/- and there is no other asset except carry forward losses.

- 7) Applicant further submitted that after taking into consideration the present status as well as future prospectus of the Corporate Debtor decided not to invite the Expression of Interest for revival of the Corporate Debtor and proposed to dissolve the Corporate Debtor, as there are no assets except cash and bank balance. In view of the same, the Applicant filed an Application for the dissolution of the Corporate Debtor. However, the said Application was dismissed on 26.07.2021, observing that ***“As per law Company has to be first wound up then only a dissolution order can be passed by this Tribunal. The duties performed by the RP are different and duties performed by the Liquidator are different”***.
- 8) It is also submitted that the Applicant has carried out an examination of the transactions of the Company and could not trace any such transactions which would fall under the purview of avoidance transactions. Applicant however submits that there is practically nothing left to resolve and / or realize as a result, the odds of receiving a Resolution Plan during the CIRP. Hence, the Applicant has preferred the instant Application seeking Liquidation of the Corporate Debtor, as the CoC in its 7th meeting held on 02.10.2021, has also passed Resolution approving the Liquidation of the Corporate Debtor.



- 9) Having considered the submissions of the Application and on perusal of the averments made in the present Interlocutory Application, this Bench is satisfied and accordingly is of the considered view that the present Interlocutory Application is in consonance with Section 33 (1) & 34 of the Insolvency and Bankruptcy Code, 2016 and the same is liable to be allowed. Accordingly, the Liquidation is ordered.
- a) The Corporate Debtor (i.e. **Showlin Network Marketing Pvt Ltd**) shall be liquidated in the manner as laid down in Chapter-III of the Code.
 - b) **Mr. Paresh Chandulal Mehta**, an Insolvency Professional (IBBI Registration No. **IBBI/IPA-003/IP-N00099/2017-18/11008**), is appointed as the Liquidator of the Corporate Debtor, as recommended by the CoC in its 3rd Meeting held on 08.12.2020.
 - c) The fees payable to the Liquidator shall be in accordance with Regulation 4 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
 - d) The Moratorium declared under Section 14 of the IBC 2016 shall cease to operate here from.
 - e) Liquidator shall issue public announcement stating that Corporate Debtor is in liquidation.
 - f) The Liquidator shall endeavor to sale the Company as a going concern during the liquidation in terms of Regulation 32A of the Liquidation Process Regulations. In case he is not able to do so within a period of 90



days from this date, he shall proceed in accordance with clauses (a) to (d) of Regulation 32 of the Liquidation Process Regulations.

- g)** Subject to section 52 of the IBC 2016 no suit or other legal proceedings shall be instituted by or against the Corporate Debtor. This shall however not apply to legal proceedings in relation to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- h)** All powers of the Board of Directors, Key Managerial Personnel and partners of the Corporate Debtor shall cease to have effect and shall be vested in the Liquidator.
- i)** The liquidator shall exercise the powers and perform duties as envisaged under Sections 35 to 50 and 52 to 54 of the Code, read with Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations 2016.
- j)** Personnel connected with the Corporate Debtor shall extend all assistance and cooperation to the Liquidator as will be required for managing its affairs.
- k)** The Liquidator shall submit progress reports as per Regulation 15 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- l)** The Liquidator is hereby Authorized to represent the Corporate Debtor before the Government Authorities, if need be.



m) This Order shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor, except when the business of the Corporate Debtor is continued during the liquidation process by the Liquidator.

n) Copy of the Order shall be furnished to the Insolvency and Bankruptcy Board of India, New Delhi; Regional Director (Western Region), Ministry of Corporate Affairs; Registrar of Companies & Official Liquidator, Maharashtra, the Registered Office of the Corporate Debtor; and the Liquidator.

10) With the aforesaid observations and directions, the Interlocutory Application bearing IA No. 1450 of 2022, stands disposed of as Allowed.

11) There would however be no order as to costs.

12) Ordered Accordingly.

List the main Company Petition on Board on 03.10.2023.

Sd/-

**ANU JAGMOHAN SINGH
MEMBER (TECHNICAL)**

Vedant Kedare

Sd/-

**H. V. SUBBA RAO
MEMBER (JUDICIAL)**