**IN THE NATIONAL COMPANY LAW TRIBUNAL,**
**DIVISION BENCH, DELHI**
**BENCH III**

CA-1483/2020
In
CP (IB) – 1406/ND/2019 filed U/S. 33 of the Insolvency and Bankruptcy Code, 2016

**In the matter of Paras Spares and Accessories Ltd., (CD).**

**Mr. Abhishek Anand,** Resolution Professional

*... Applicant*

*Order delivered on 18th January, 2021*

**CORAM:**

**CH. MOHD SHARIEF TARIQ, HON'BLE MEMBER (JUDICIAL)**

**SHRI NARENDER KUMAR BHOLA, HON'BLE MEMBER (TECHNICAL)**

**Parties / Counsels present**

For Resolution Professional : Abhishek Anand (RP)

**ORDER**

**Per: NARENDER KUMAR BHOLA, MEMBER (TECHNICAL).**

1. This relates to CA- 1483/2020 filed in CP (IB) – 1406/ND/2019 by Mr. Abhishek Anand (hereinafter referred to as 'Resolution Professional' or 'Applicant') under Section 33(2) and 34 of the Insolvency and Bankruptcy Code, 2016. The prayer made in the Application is to pass an order of liquidation pertaining to the Corporate Debtor (CD) viz., Paras Spares and

Accessories Ltd.

2. Originally CP (IB) – 1406/ND/2019 was admitted by this Authority vide Order dated 20.09.2019, the Corporate Insolvency Resolution Process (CIRP) was initiated against the Corporate Debtor and the Applicant was appointed as Interim Resolution Professional vide the same order.

3. It is averred that pursuant to the Order of this Authority dated 20.09.2019, the applicant made a public announcement in accordance with section 15 of the Code read with Regulation of CIRP Regulations in the newspaper and the same was also published on the website of IBBI.

4. It was submitted that only one claim from the Uniword Telecom Limited ('Operational Creditor') was received against the announcement and the CoC was constituted in accordance with Section 21(1) of the Code on 15.10.2019 having operational Creditor Uniword Telecom Limited as a sole member with 100% voting rights.

5. It is further submitted that the first CoC meeting took place on 23.10.2019 wherein the members of the CoC passed a resolution to appoint the applicant as the Resolution Professional (RP). Furthermore, the corporate debtor has not conducted any business since last 8 years and has no

employees, and no fixed assets or current asset other than current investment in the form of investment in shares of private limited company and cash equivalent Rs.408 as per the balance sheet of the corporate debtor.

6. The second meeting of CoC was convened by Resolution Professional on 13.12.2019 and proposed agenda with respect to publication of Form G for the invitation for expression of Interest as per Regulation 36A of the CIRP Regulation, appointment of forensic auditor to determine the preferential and fraudulent transaction of the Corporate Debtor and appointment of the Registered Valuer. However, the same was rejected by the CoC as the Corporate Debtor has stopped doing any business from last 8 years due to advancement of mobile technologies that affected the PCO business of the Corporate Debtor and finally the business of the Corporate Debtor crashed. Also, sole CoC member is not interested in incurring any further expenditure as recovery of any amount seems to be very remote. Hence, the CoC decided to not to publish form G and conduct forensic audit as the Corporate Debtor.

7. It is averred that in compliance of the Regulation 27 of CIRP Regulations, applicant appointed two registered valuers namely Mr. Raj Kamal Saraogi

and Dr. Naresh Kumar Goel to conduct the valuation of the assets of the corporate debtor with reasonable fees. As per the valuation report, the corporate debtor has no tangible assets except investment in shares (Rs.1,11,50,000/-) and Cash in Hand (Rs.409/-).

8. In the 3rd CoC meeting held on 31.01.2020, the CoC proposed to the RP to conduct the voting for liquidation of the Corporate Debtor. Accordingly, voting has been conducted for initiation of liquidation of corporate debtor, appointment of the liquidator and fixation of professional fees of the proposed liquidator. In the meeting it was resolved that Mr. Abhishek Anand, the present RP of the Corporate Debtor is authorized to file an application before the this Authority for initiation of the liquidation process of the corporate debtor in accordance with the section 33 of the Insolvency and Bankruptcy Code, 2016 and IBBI (Liquidation Process) Regulation, 2016.

9. It is further averred that during the same meeting it was resolved that present RP of the Corporate Debtor has been proposed to be appointed as liquidator of the Corporate Debtor for a fee of Rs.25,000 plus GST per month and the RP has also consented to be appointed as a liquidator of the Corporate Debtor.

10. Since no Resolution Plan is received by this Authority under Sub-section (6) of Section 30 of the Insolvency & Bankruptcy Code, 2016, the Corporate Debtor has to be ordered for liquidation.

**ORDER**

11. In view of the facts and circumstances recorded by Resolution Professional in CA- 1483/2020 filed in CP (IB) – 1406/ND/2019 and in exercise of powers conferred under Sub-Clauses (i) (ii) and (iii) of Clause (a) of Sub-Section (1) of Section 33 of the I&B Code, 2016, this Authority proceeds to pass Liquidation Order as follows: -

I. This Authority hereby orders for liquidation of the Corporate Debtor (CD) viz., M/s. Paras Spares and Accessories Ltd., which shall be conducted in the manner as laid down in Chapter III of part II of the Insolvency & Bankruptcy Code, 2016;

II. This Authority hereby appoints Mr. Abhishek Anand as Liquidator who shall issue a public announcement stating therein that the Corporate Debtor is in liquidation;

III. The moratorium declared under Section 14 of the Insolvency & Bankruptcy Code, 2016, shall cease to have effect from the date of the order of liquidation;

IV. Subject to Section 52 of the Insolvency & Bankruptcy Code, 2016, no suit or other legal proceedings shall be instituted by/or against the Corporate Debtor. However, a suit and other legal proceedings may be instituted by the Liquidator, on behalf of the Corporate Debtor, with the prior approval of this Authority.

V. This Authority makes it clear that Para (IV) hereinabove shall not apply to legal proceedings in relation to such transactions as notified by the Central Government in consultation with any financial sector regulator.

VI. 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.

VII. All the powers of the Board of Directors, Key Managerial Personnel and the Partners of the Corporate Debtor, as the case may be, shall cease to have effect and shall be vested with the Liquidator viz., Mr. Abhishek Anand, in addition to it the Liquidator shall exercise the powers and duties as enumerated in Sections 35 to 50, 52 to 54 of the Insolvency & Bankruptcy Code, 2016, r/w Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

VIII. The personnel of the Corporate Debtor shall extend all assistance and co-operation to the Liquidator as may be required by him in managing the affairs of the Corporate Debtor.

IX. The Liquidator shall be entitled to charge such fees as resolved by the CoC i.e., Rs.25, 000 plus GST per month.

X. The Liquidator is directed to communicate this order with immediate effect to the concerned Registrar of Companies, OL, Registered Office of the Corporate Debtor and for information and compliance.

12. In terms of the above, CA-1483/2020 filed in CP (IB) – 1406/ND/2019 by the Resolution Professional under Section 33(2) of the Insolvency & Bankruptcy Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz., M/s Paras Spares and Accessories Ltd., is **allowed**.

-Sd-

**(NARENDER KUMAR BHOLA)**
MEMBER (TECHNICAL)

-Sd-

**(CH. MOHD SHARIEF TARIQ)**
MEMBER (JUDICIAL)