

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, CHENNAI

MA/1363/2019

IN

IBA/199/2018

Application filed under section 33(2) of the IBC, 2016

In the matter of Paramount Mills Private Limited

G. Gunasekaran
Resolution Professional
Representing Corporate Debtor
(Paramount Mills Private Limited)

...Applicant

Order delivered on: 19.12.2019

CORAM:

B.S.V PRAKASH KUMAR, MEMBER (JUDICIAL)

S. VIJAYARAGHAVAN, MEMBER (TECHNICAL)

Counsel for the Applicant: *Shri. G. Gunasekaran, RP*

ORDER

Per: B.S.V PRAKASH KUMAR, MEMBER (JUDICIAL)

Heard and dictated in Open Court on: 16.12.2019

It is an MA filed u/s 33(2) of the Insolvency & Bankruptcy Code, 2016 ("**the Code**") by the Resolution Professional (in Short "RP") seeking for liquidation of the company on the ground that leasehold land is in the name of Promoter and building is in the name of Corporate Debtor and hence the Corporate Debtor not received any

feasible resolution plan during Corporate Insolvency Resolution Plan (CIRP) since the CoC held on 15.10.2019 passed a resolution with 100% voting for the liquidation of the company.

2. On the perusal of this application, the Company Application was admitted on 20.03.2019 initiating CIRP by appointing Mr. G. Gunasekaran, subsequent, in furtherance of it, the IRP collated claims and constituted CoC, thereafter CoC meeting was held on 15.04.2019. As to liquidation value of the company, RP counsel has stated that he could not determine the liquidation value of the company for there being a rival claim against the plant and machinery of the Corporate Debtor. Since there is no other option except to pass a resolution for order of liquidation of the company, ultimately the CoC passed a resolution with 100% voting on 15.10.2019 (within 270 days of CIRP period), accordingly this application is filed before this Bench for liquidation of the company.

3. Looking at the reasons aforementioned, we are of the view that CoC has taken decision for order of the liquidation within its



commercial wisdom, we hereby order for liquidation of the company with the following directions:

- a) This Bench hereby orders the Corporate Debtor to be liquidated in the manner as laid down in the Chapter by issuing a public notice stating that the Corporate Debtor is in liquidation with a direction to the liquidator to send this order to ROC with which this company has been registered.
- b) The Resolution Professional viz Mr G. Gunasekaran is hereby appointed to act as Liquidator for the purpose of liquidation of the corporate debtor, therefore all powers of the board of directors, Key managerial personnel and partners of the Corporate Debtor, as the case may be, shall cease to have effect and shall be hereby vested in the liquidator. The Personnel of the Corporate Debtor are directed to extend all co-operations to the liquidator as may be required in managing the affairs of the Corporate Debtor. The Insolvency Professional appointed as liquidator will charge fees for conduct of the liquidation proceedings in proportion to the

value of the liquidation estate assets as specified under regulation 4 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and the same shall be paid to the Liquidator from the proceeds of the liquidation estate under section 53 of the Code.

- c) Since this liquidation order has been passed, no suit or other legal proceedings shall be instituted by or against the Corporate debtor without prior approval of this Adjudicating Authority save and except as mentioned in sub-section 6 of section 33 of the Code.
- d) This liquidation order shall be deemed to be notice of discharge to the officers, employees and workmen of the Corporate Debtor except to extent of the business of the Corporate Debtor is continued during the liquidation process by the Liquidator.
- e) The liquidator is directed to carry the functions of the Liquidator as envisaged under the Insolvency and

Bankruptcy Code, 2016 and also Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

4. The Registry is hereby directed to immediately communicate this order to the Liquidator, the Corporate Debtor and the IBBI & Concern ROC by way of E-Mail.

5. Accordingly, this MA/1363/2019 filed in IBA/199/2019 is hereby allowed.

-Sd-
(S. VIJAYARAGHAVAN)
Member (Technical)

-Sd-
(B. S.V. PRAKASH KUMAR)
Member (Judicial)

KNP/TJS