

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

**CP (IB) 548/MB/2023**

Under section 7 of the Insolvency and  
Bankruptcy Code, 2016 read with Rule 4 of  
the Insolvency and Bankruptcy

(Application to Adjudicating Authority)  
Rules, 2016

*In the matter of*

**Omkara Assets Reconstruction Private  
Limited**

**(Acting in its capacity as a Trustee of  
Omkara PS06/2021-22 Trust)**

Having its corporate office at: C/515 Kanakia  
Zillion, Junction of LBS Road and CST  
Road, BKC Annex, Near Equinox, Kurla  
(West) Mumbai 400070.

**.....Applicant/ Financial Creditor**

**Versus**

**Parallax Décor Private Limited**

Having registered office at:- 115, Acme  
Industrial Estate, I. B. Patel Road, Goregaon  
(East), Mumbai – 400063

**.....Corporate Debtor**

**Order Delivered on :-14.12.2023**

***Coram:***

**Mr. Anil Raj Chellan  
Member (Technical)**

**Mr. Kuldip Kumar Kareer  
Member (Judicial)**

***Appearances:***

For the Financial Creditor: Adv. Bhanu Chopra a/w Adv. Sagar Parab

For the Corporate Debtor: None Present

**ORDER**

***Per:- Kuldip Kumar Kareer, Member Judicial***

1. The present Company petition is filed by Omkara Assets Reconstruction Private Limited (hereinafter referred to as "Financial Creditor") seeking to initiate Corporate Insolvency Resolution Process (CIRP) against Parallax Decor Private Limited. (hereinafter referred to as "Corporate Debtor") by invoking the provisions of Section 7 of the Insolvency and bankruptcy code, 2016 (hereinafter called "Code") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for resolution of an unresolved Financial Debt of Rs. 5,20,65,866.58/- (Rupees Five Crores Twenty Lakhs Sixty-Five Thousand Eight Hundred and Sixty Six and Paise Fifty Eight Only) as on 31.01.2023. The date of default is 28.03.2021 and the account of the Corporate Debtor was classified as NPA on 28.03.2021.

**The submissions of the Financial Creditor are as follows:**

2. The Corporate Debtor is engaged in the business of Manufacturing, trading and importing of Pre-Laminated MDF Board, MDF Boards, Plain Particle Boards, Foil Laminate Boards etc.

3. The Corporate Debtor on and around May, 2014 approached IndusInd Bank Limited (“the Original Lender”) for sanction of Cash Credit and Term Loan facilities for the purpose of taking over the existing facilities availed by the Corporate Debtor from one Federal Bank and for meeting its working capital requirements.
4. Pursuant to the request of the Corporate Debtor, the Original Lender issued a Sanction Letter dated 30.05.2014 (Original Sanction Letter) thereby sanctioning certain credit facilities to the Corporate Debtor with aggregate limit of Rs. 7 Crores. Further, the limit under the Original Sanction letter was subsequently modified at the request of the Corporate Debtor vide modified Sanction letter dated 18.06.2014. However, there was no change to the aggregate limit of Rs. 7 Crores.
5. The Original Sanction letter was then placed before the Board of Directors of the Corporate Debtor and a Resolution dated 02.06.2014 was passed thereby authorizing to avail the said Cash Credit facility and Term Loan facility on the terms and conditions as set out in the Original Sanction Letter. The Original Sanction Letter and the Modified Sanction Letter were duly accepted by the Corporate Debtor through its Directors authorized by the Board of Directors.
6. Subsequently, the Corporate Debtor and the Original Lender executed a Master General Terms Agreement and also an Agreement for Multi Facility Loan Agreement both dated 06.06.2014 (Loan Agreements), which set out the terms and conditions on which the said credit facilities were to be granted.

7. The said Cash Credit facility and the Term Loan facility were secured by hypothecation of the entire Current Assets of the Corporate Debtor comprising of Plant and Machinery and other current assets, book debts stocks of raw material, work in progress, finished goods receivables and other current assets of the Corporate Debtor. A deed of hypothecation dated 06.06.2014 was executed between the Original Lender and the Corporate Debtor.
8. Further, persons connected with the Corporate Debtor had executed a letter of Continuing Guarantee dated 06.06.2014 to secure the payment of the amounts due under the Cash Credit facility and the Term Loan facility.
9. The Personal Guarantors/Mortgagors had mortgaged their respective properties in favour of the Original Lender in order to secure the due repayment of the amounts due under the Cash Credit facility and the Term Loan facility.
10. Further, the Corporate Debtor vide letters dated 06.06.2014 submitted an application to the Original Lender for holding the term deposits/fixed deposits of the Corporate Debtor as security for the due repayment of the amounts due.
11. Subsequently, the Corporate Debtor addressed a letter dated 05.11.2015 to the Original Lender, for renewal of the Credit facilities as sanctioned under the Modified Sanction Letter dated 18.06.2014. Pursuant to the said letter, the Original Lender issued a Renewal Sanction Letter dated 06.11.2015 (Renewal Letter), thereby renewing

the credit facilities including the Cash Credit facility and the Term Loan facility.

12. Further, on request of the Corporate Debtor, the Original Lender issued a Modified Sanction Letter dated 30.03.2017, wherein the sanctioned limit for various facilities were revised. Pursuant to the issuance of the said letter, only the Cash Credit facility (with sanctioned limit up to Rs. 5.44 crores) and Term Loan Facility (with sanctioned limit up to Rs. 65,68,000/-) were revised.
13. The Corporate Debtor vide letters dated 31.05.2018 and 18.05.2021, requested the Original Lender to release its mortgage over the Mortgaged property I and II and also requested to handover the original title documents in view of the partial repayment of the amounts due by the Corporate Debtor. The Original Lender, vide letters dated 01.06.2018 and 24.04.2021, duly released the mortgage over the said Mortgaged I and II property.
14. The Corporate Debtor has time and again acknowledged the amounts due to the Original Lender and has made due disclosures in this regard in its Audited Balance Sheets/Financial Statements for the years 2018-2019.
15. Further, on 01.09.2020, interest for the period of March 2020, to August, 2020 on the Cash Credit facility was converted into a Funded Interest Term Loan, being the FITL facility as per the RBI guidelines.
16. The Corporate Debtor has repaid the Term Loan facility but has defaulted on the payments with respect to the Cash Credit facility and

the FITL facility and has failed to regularize the same and consequently, the account of the Corporate Debtor was classified as a Non-Performing Asset on 28.03.2021.

17. The Original Lender and the Financial Creditor entered into Assignment Agreement dated 25.06.2021 whereby the said Cash Credit facility and Term Loan Facility along with underlying security and financial documents together with all its rights, title and interests, pledges and/or guarantees in respect of such facilities were assigned to the Omkara Assets Reconstruction Private Limited (Financial Creditor).
18. The Financial Creditor, vide a Notice under Section 13(2) of the SARFAESI Act, 2002 dated 02.02.2023 (“Demand Notice”), directed the Corporate Debtor and the Personal Guarantors to repay the outstanding amount of Rs. 5,20,65,866.58/- (Rupees Five Crores Twenty Lakhs Sixty-Five Thousand Eight Hundred and Sixty-Six and Paise Fifty-Eight Only) including interest as due under the Cash Credit facility and the FITL facility as on 31.01.2023.
19. Despite of the said Notice, the Corporate Debtor and the Personal Guarantors failed to honour the said Notice issued by the Financial Creditor.
20. The Financial Creditor have annexed copies of the Statement of accounts from 01.04.2014 to 30.06.2021 duly certified under the Bankers Books Evidence Act, 1891.

21. In the light of continuing default on the part of the Corporate Debtor in making the payments of the amount owed to the Financial Creditor, the Financial Creditor is constrained to initiate the Corporate Insolvency Resolution Process against the Corporate Debtor.
22. None appeared on behalf of the Corporate Debtor. The Corporate Debtor had been duly served with the court notice but chose not to appear. The Corporate Debtor was granted last opportunity on 30.08.2023 to file reply, however the Corporate Debtor did not appear on the date of hearing fixed nor filed the reply and hence was proceeded *ex-parte* on 10.10.2023.

### **FINDINGS**

24. We have heard the counsel appearing for the Financial Creditor and gone through the records.
25. It has been pointed out by the Counsel for the Petitioner that the Corporate Debtor was granted cash credit facilities of Rs. 5.44 crores and term loan facilities of Rs.65.68 lakhs in May, 2014 vide sanction letter dated 30.05.2014. The sanctioned amount was subsequently modified by letter dated 18.06.2014 following which Master General Term Agreement and an agreement for multi facility loan dated 06.06.2014 were executed. The Corporate Debtor requested for renewal of credit facility vide letter dated 05.11.2015 following renewal sanction letter dated 06.11.2015 was issued whereby the CC Facility and Term Loan were renewed.

26. It has further been pointed out by the Counsel for the Petitioner that upon the request of the Corporate Debtor, the original lender issued modified sanctioned letter on its request on 30.03.2017 following the CC Facility revised to Rs. 5.44 crores and term loan facility of Rs. 65.68 lakhs. It has further been pointed out that in the year 2021, the interest on CC Facilities were converted into Funded Interest Term Loan (FITL). As the Corporate Debtor committed default in payment of CC facility and FITL and the account was declared as NPA on 28.03.2021. It has also been pointed by the Counsel for the Petitioner that the Corporate Debtor has been acknowledging its liability from time to time in the audited balance sheet which are annexed with the petition. As per the NeSL report (Annexure LL) also the date of default is 28.03.2021.

27. No reply has been filed on behalf of the Corporate Debtor and as stated above the Corporate Debtor was proceeded ex-parte. Thus, all the averments made in the Petition have gone uncontroverted even otherwise on the basis of the averments made in the Petition and the documents placed on record, it stands established that the Petitioner has been able to establish the existence of financial debt in respect of which the default has been committed by the Corporate Debtor and further the Petition has been filed within the period of limitation. Accordingly, we find that the present Petition under Section 7 of the Code to be a fit case for admission. It is ordered in following terms:

### **ORDER**

a. **The above Company Petition No. (IB) 548 (MB)/2023 is hereby admitted** and initiation of Corporate



Insolvency Resolution Process (CIRP) is ordered against **Parallax Décor Private Limited.**

b. This Bench hereby **appoints Mr. Ankit Goel, Registration No: IBBI/IPA-001/IP-P-02671/2022-23/14088 as the Interim Resolution Professional having email :- [ankitgoel@aaainsolvency.in](mailto:ankitgoel@aaainsolvency.in)**, to carry out the functions as mentioned under the Insolvency & Bankruptcy Code, 2016.

c. The Financial Creditor shall deposit an amount of Rs. Five Lakhs towards the initial CIRP cost by way of a Demand Draft drawn in favour of the Interim Resolution Professional appointed herein, immediately upon communication of this Order.

d. That this Bench hereby prohibits the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority; transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein; any action to foreclose, recover enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; the recovery of any property by an

owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

e. That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period.

f. That the provisions of sub-section (1) of Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

g. That the order of moratorium shall have effect from the date of pronouncement of this order till the completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of corporate debtor under section 33, as the case may be.

h. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.

i. During the CIRP period, the management of the Corporate Debtor will vest in the IRP/RP. The suspended directors and employees of the Corporate Debtor shall provide all documents in their possession

and furnish every information in their knowledge to the IRP/RP.

j. Registry shall send a copy of this order to the concerned Registrar of Companies for updating the Master Data of the Corporate Debtor.

**Accordingly, this Petition is admitted.**

The Registry is hereby directed to communicate this order to both the parties and to IRP immediately.

**Sd/-**

**ANIL RAJ CHELLAN  
(MEMBER TECHNICAL)**

**Sd/-**

**KULDIP KUMAR KAREER  
(MEMBER JUDICIAL)**