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**BEFORE THE AJUDICATING AUTHORITY  
(NATIONAL COMPANY LAW TRIBUNAL)  
AHMEDABAD BENCH  
AHMEDABAD**

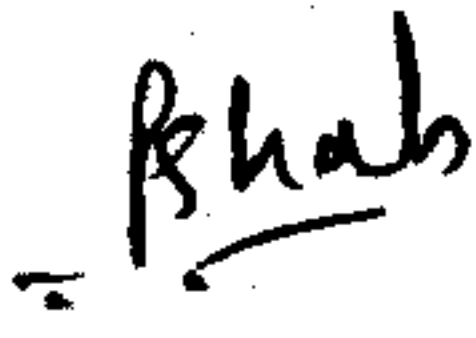
**C.P. (I.B) No. 6/7/NCLT/AHM/2018**

Coram: **Hon'ble Mr. BIKKI RAVEENDRA BABU, MEMBER JUDICIAL**  
**Hon'ble Ms. MANORAMA KUMARI, MEMBER JUDICIAL**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD  
BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 21.02.2018**

Name of the Company: Biren Parikh.  
V/s.  
Shree Vinayak Foods & Fabrics Pvt Ltd.


Section of the Companies Act: Section 7 of the Insolvency and Bankruptcy  
Code

<u>S.NO.</u>	<u>NAME (CAPITAL LETTERS)</u>	<u>DESIGNATION</u>	<u>REPRESENTATION</u>	<u>SIGNATURE</u>
1.	Adv. Prachiti Shah	Advocate <del>Petitioner</del>	Petitioner	
2.				

**ORDER**

Learned Advocate Ms. Prachiti Shah i/b Nanavati & Nanavati present for Financial Creditor/Petitioner. None present for Respondent.

Order pronounced in open court. Vide separate sheets.

  
**MANORAMA KUMARI  
MEMBER JUDICIAL**

  
**BIKKI RAVEENDRA BABU  
MEMBER JUDICIAL**

Dated this the 21st day of February, 2018.

**BEFORE ADJUDICATING AUTHORITY (NCLT)  
AMEDABAD BENCH  
AHMEDABAD**

**CP NO. (IB) 6/7/NCLT/AHM/2018**

**In the matter of:**

1. Mr. Biren Parikh  
having his office at  
2<sup>nd</sup> Floor, Navdeep House  
Income-tax Circle  
Ashram Road  
Ahmedabad : Petitioner  
Financial Creditor

**VERSUS**

M/s. Shree Vinayak Foods & Fabrics Pvt. Ltd.  
3043-3044 Phase III  
GIDC Estate  
Chhatral  
Gandhinagar 382 729  
: Respondent  
: Corporate Debtor

**Order delivered on 21<sup>st</sup> February, 2017**

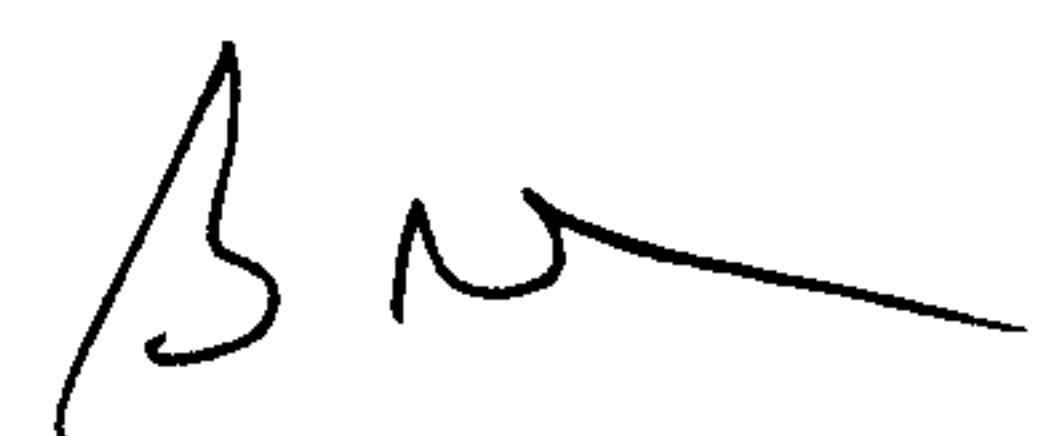
**CORAM: Hon'ble Mr. Bikki Raveendra Babu, Member Judicial  
Hon'ble Ms. Manorama Kumari, Member Judicial**

**Appearance:**

For the petitioner : Learned Senior Advocate Mr. Sudhir  
Nanavati with learned Advocate Ms.  
Prachiti Shah i/b Nanavati & Nanavati  
Advocates.

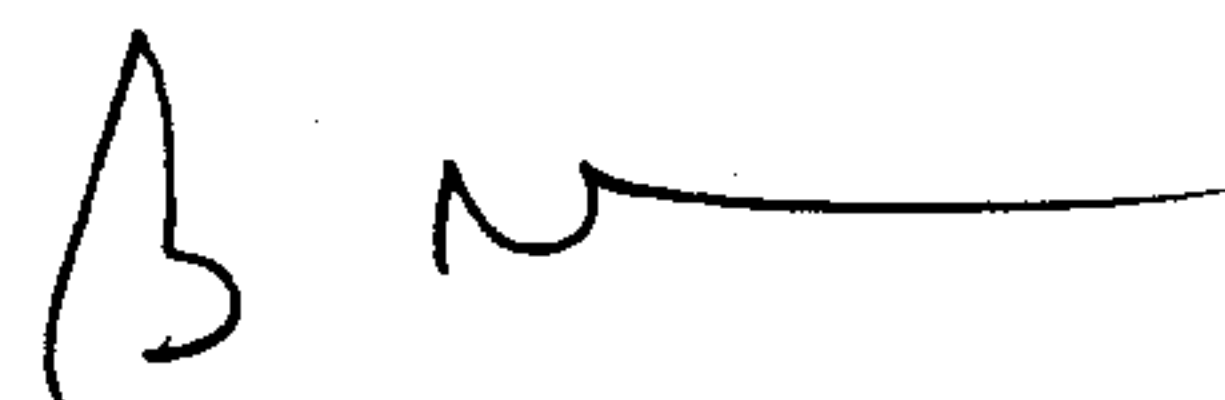
For the respondent : Learned Advocate Mr. Monaal  
Davawala.



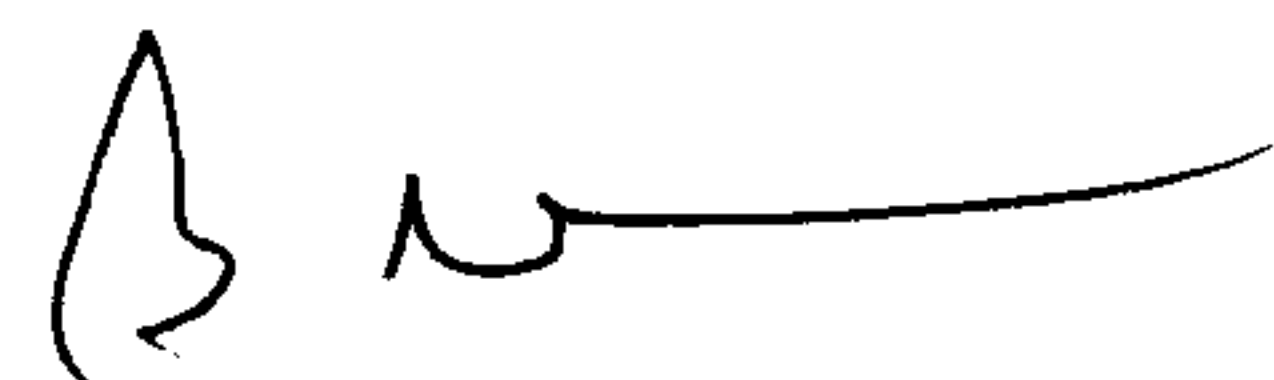


**ORDER****(Per : Hon'ble Mr. Bikki Raveendra Babu, Member Judicial)**

1. Mr. Biren Parikh styling himself as financial creditor, filed this petition under section 7 of The Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "the Code") read with Rule 4 of The Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as "the Rules") requesting this Authority to commence Corporate Insolvency Resolution Process in respect of M/s. Shree Vinayak Foods & Fabrics Pvt. Ltd. styling it as corporate debtor.
2. Shree Vinayak Foods & Fabrics Private Limited (hereinafter referred to as Corporate Debtor) is a company incorporated under the Companies Act, 1956 having its registered office in Ahmedabad. The Corporate debtor is engaged in the business of textile and food industries. In the financial year 2012-13, corporate debtor approached the petitioner for a corporate loan. Petitioner gave a loan of Rs. 1.45 crores to the corporate debtor of which details are as follows: -
  - (a) Rs. 50.00 lacs vide cheque dated 11.03.2013 bearing No. 000437 drawn in favour of Shree Vinayak Foods & Fabrics P. Ltd. on Bank of Baroda, Navrangpura Branch, Ahmedabad that was encashed on 12.03.2013.



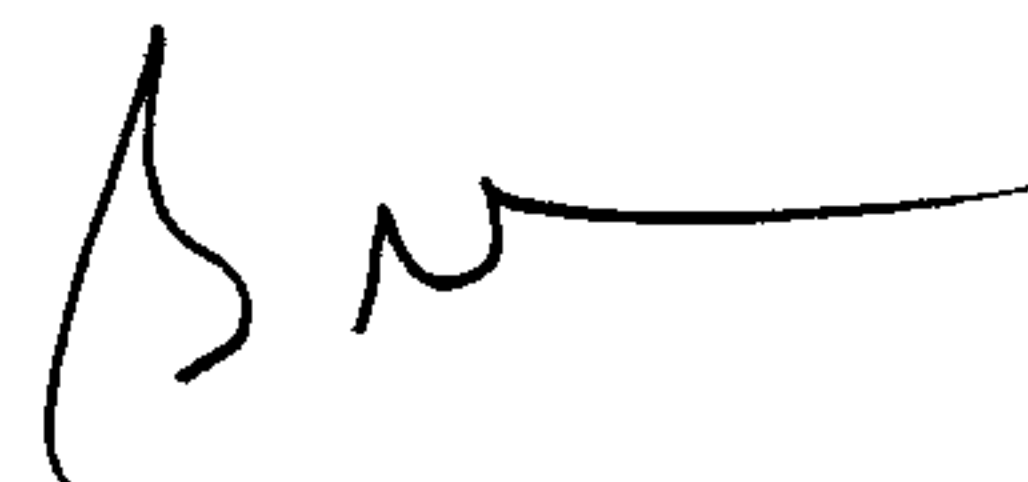
- (b) Rs. 50.85 lacs vide cheque dated 28.03.2013 bearing No. 000451 drawn in favour of Shree Vinayak Foods & Fabrics P. Ltd. on Bank of Baroda, Navrangpura Branch, Ahmedabad that was encashed on 30.03.2013.
- (c) Rs. 24.15 lacs vide cheque dated 05.04.2013 bearing No. 000453 drawn in favour of Shree Vinayak Foods & Fabrics P. Ltd. on Bank of Baroda, Navrangpura Branch, Ahmedabad that was encashed on 08.04.2013.
- (d) Rs. 10.00 lacs vide cheque dated 26.11.2013 bearing No. 000555 drawn in favour of Shree Vinayak Foods & Fabrics P. Ltd. on Bank of Baroda, Navrangpura Branch, Ahmedabad that was encashed on 26.11.2013.
- (e) Rs. 10.00 lacs vide cheque dated 28.11.2013 bearing No. 000556 drawn in favour of Shree Vinayak Foods & Fabrics P. Ltd. on Bank of Baroda, Navrangpura Branch, Ahmedabad that was encashed on 28.11.2013.
3. Thereafter, petitioner demanded corporate debtor to repay the principal amount with interest. Corporate debtor assured to repay but never chose to repay. It came to the notice of the petitioner that corporate debtor has not filed balance sheet or





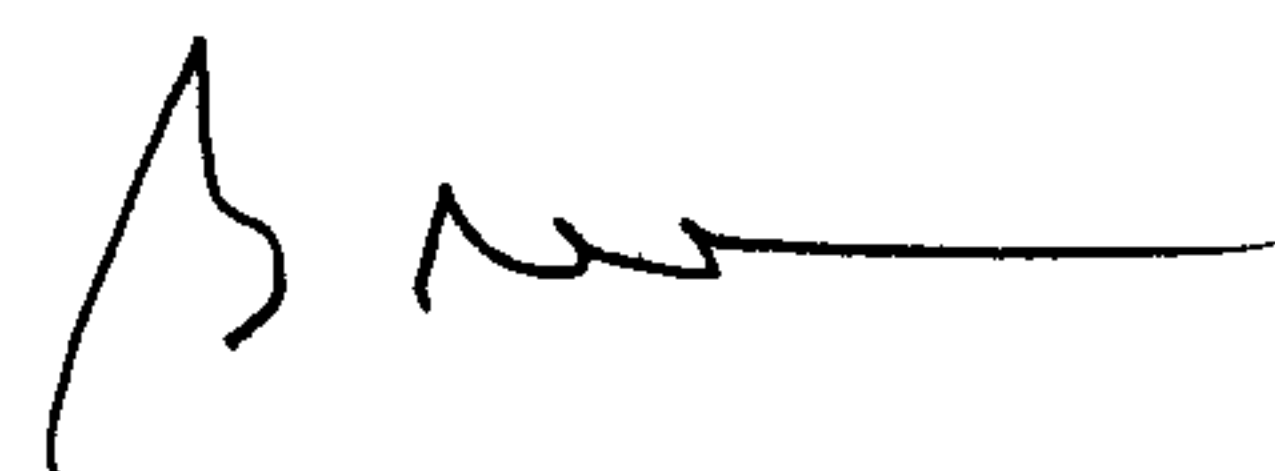
any annual returns before the Registrar of Companies since the year 2012-13. Corporate debtor is under scrutiny of Income-tax Department. Petitioner addressed a letter dated 21.03.2016 to the Directors of the corporate debtor. Corporate debtor did not repay the amount with interest. Petitioner issued demand notice on 07.05.2016. Corporate debtor gave reply dated 29.05.2016 asking the petitioner not to proceed with winding up petition. Thereafter, petitioner addressed another notice dated 15.0.2016 demanding the respondent outstanding amount of Rs. 1.45 crores with 18% interest within 15 days. On 27.06.2016 respondent gave detailed reply denying the liability.

4. Thereafter, this petition is filed. Petitioner filed copy of pledge agreement dated 23.03.2013 entered into between the financial creditor and corporate debtor along with copy of ledger statement of the corporate debtor in the books of the financial creditor, copies of letters and statutory notice and reply to the notices. Petitioner also filed computation of interest along with the principal amount. Petitioner also filed copy of annual return for the year ended 31.03.2015. Petitioner proposed the name of Mr. Vikash Gaautamchend Jain, Insolvency Professional as Interim Resolution Professional.
5. Petitioner served copy of notice on the respondent. Respondent appeared through counsel before this authority.



Learned counsel for the respondent reported that he has no objection for appointment of Interim Resolution Professional.

6. A perusal of Pledge Agreement dated 23.03.2013 show that it was entered into between financial creditor and corporate debtor. In the said pledge agreement there is a clear recital that lender has agreed to provide loan to the maximum extent of Rs. 1.25 crores and corporate debtor agreed to said loan. Corporate debtor pledged his shares as collateral security. Due date as per pledge agreement is 180<sup>th</sup> day from the effective date. Effective date is the date of pledge agreement. Pledge agreement also disclose that it carries interest @ 9% per annum. From the aforesaid recitals in the pledge agreement it is clear that the petitioner is financial creditor and the amount borrowed by the corporate debtor is financial debt. Ledger account of the corporate debtor maintained by the petitioner show that Rs. 1.45 crores was lent to the corporate debtor.
7. In view of the above discussions it is clear that there exists financial debt and occurrence of default in repayment of financial debt by corporate debtor to the petitioner. In fact, respondent did not chose to raise any objection to commencement of Corporate Insolvency Resolution Process. Objections that were raised in the reply notice may not come in the way of initiation of Corporate Insolvency Resolution Process. Hence this petition is admitted.



8. In the case on hand petitioner has proposed the name of Mr. Vikas Gautamchand Jain, having address at 204, Wall Street – 1, Near Gujarat College, Ellis bridge, Ahmedabad 380 006.
9. Adjudicating Authority hereby appoint Mr. Vikas Gautamchand Jain, having address at 204, Wall Street – 1, Near Gujarat College, Ellis bridge, Ahmedabad 380 006 as Interim Insolvency Resolution Professional having Registration No. IBBI/IPA-001/IP-P00354/2017-18/10612 u/s 13 (1)(c) of the Code.
10. The Interim Insolvency Resolution Professional is hereby directed to cause a public announcement of the initiation of Corporate Insolvency Resolution Process and call for submission of claims under Section 13 (1)(b) read with Section 15 of the Code and Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016.
11. This adjudicating Authority hereby order moratorium under Section 13 (1) (a) of the IB Code prohibiting the following as referred to in Section 14 of the Code;

- (a) the institution of suits or continuation of pending suits or proceedings against the company/ corporate debtor including execution of any



judgement, decree or order in any court of law, Tribunal, arbitration panel or other authority;

(b) transferring, encumbering, alienating or disposing of by the company/corporate debtor any of its assets or any legal right or beneficial interest therein;

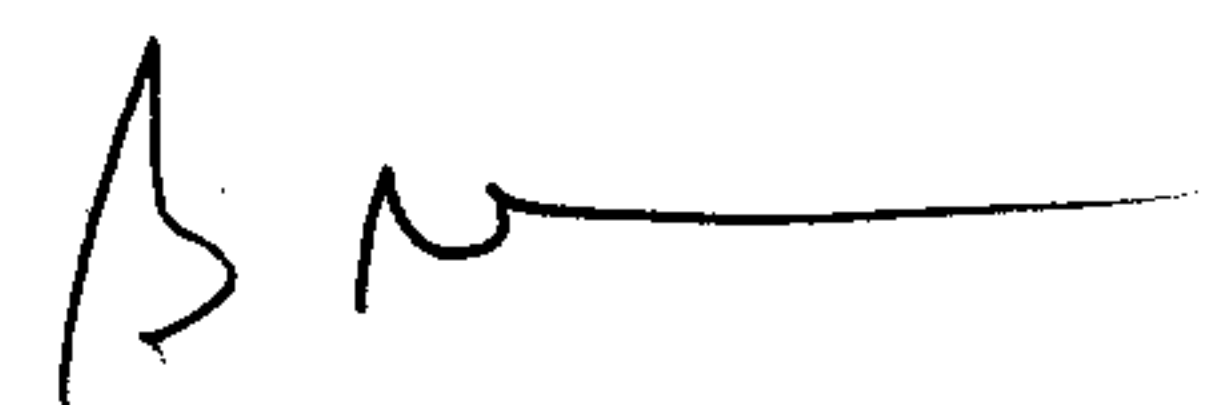
(c) any action to foreclose, recover or enforce any security interest created by the company/corporate debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);

(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the company/corporate debtor.

(i) There shall not be any interruption, suspension or termination of supply of essential goods or services to the corporate debtor during the moratorium period.

(ii) The order of moratorium is not applicable to the transactions that may be notified by the







Central Government in consultation with any financial sector regulator.

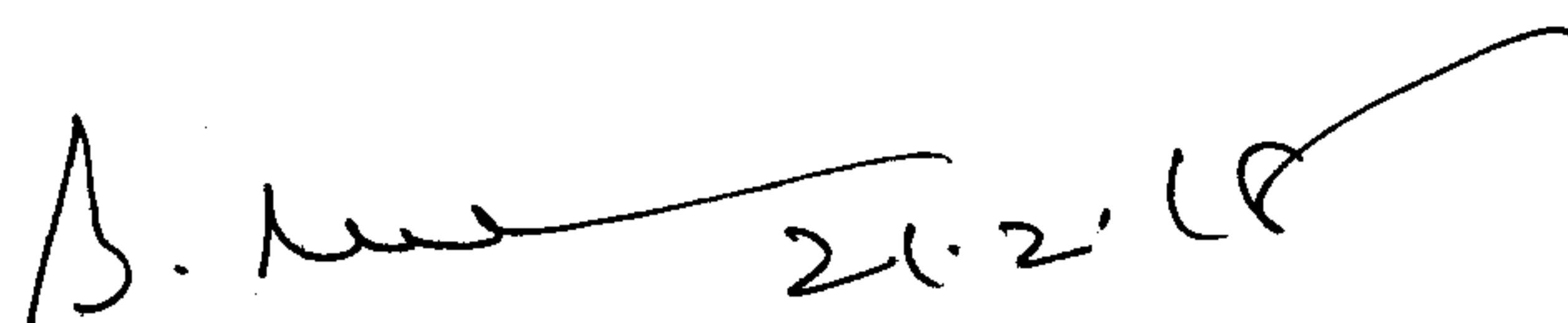
- (iii) The order of moratorium comes into force from the date of the order till the completion of Corporate Insolvency Resolution Process subject to the proviso under sub-section (4) of Section 14.

12. This application is disposed of accordingly. No order as to costs.

13. Communicate a copy of this order to the petitioner <sup>Financial</sup> operational creditor and to the respondent corporate debtor and to the Interim Insolvency Resolution Professional.



**Ms. Manorama Kumari,  
Member Judicial  
Adjudicating Authority**



**Bikki Raveendra Babu  
Member Judicial  
Adjudicating Authority**

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