



IN THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH, JAIPUR

CORAM: SHRI DEEP CHANDRA JOSHI,
HON'BLE JUDICIAL MEMBER
SHRI RAGHU NAYYAR,
HON'BLE TECHNICAL MEMBER

Company Petition No. (IB)-20/10/JPR/2022

IN THE MATTER OF:

M/s Balaji Lifestyle Technologies Pvt. Ltd.
S-9, III Floor, Shubham Tower, Shastri Nagar,
Jaipur- 302016 (Rajasthan)

... Corporate Applicant/ Debtor

For the Applicant : Susshil Daga, Adv.
Akshita Koolwal, PCS

Order Pronounced On: 01.06.2022

ORDER

Per: Shri Deep Chandra Joshi, Judicial Member

1. The instant Application is filed under Section 10 of the Insolvency and Bankruptcy Code, 2016 ('Code') read with Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 ('Rules') for initiation of Corporate Insolvency Resolution Process in respect of M/s Balaji Lifestyle Technologies Pvt. Ltd., the Corporate Debtor being the Applicant Company itself. The instant Application is filed through its director, Mr. Parag Baxi, duly authorised vide board resolution dated 13.09.2021
2. The Applicant, 'M/s. Balaji Lifestyle Technologies Pvt. Ltd.', is a company incorporated on 21.01.2008 under the Companies Act, 1956 bearing CIN



No. U52602RJ2008PTC025717. The Applicant Company has its registered office at S-9, III Floor, Shubham Tower, Shashtri Nagar, Jaipur, Rajasthan-302016 which falls within the territorial jurisdiction of this Adjudicating Authority.

3. As per averments, the Corporate Debtor has 11 (Eleven) Financial Creditors, namely, UCO Bank, ICICI Bank, IDFC First Bank, RBL Bank, Aditya Birla Finance Limited, etc. and 4 (four) operational creditors, namely, Mahesh Kumar Sharma, Digital Dreams, Om Sai Infotech, Ejoty India who extended financial and credit facilities to the Applicant. It is stated that due to acute financial constraints, the Corporate Debtor could not maintain the accounts regularly and as a result as on 01.06.2021 the total amount in default is Rs. 6,71,18,486/- (Six Crores Seventy-One Lakh Eighteen Thousand Four Hundred and Eighty-Six Only).
4. In order to prove the said default, the Corporate Debtor has placed a Legal Recall Notice dated 24.05.2021 of Unsecured Financial Creditor, Tata Capital Financial Services Limited; Legal Recall Notice dated 24.08.2021 and 17.09.2021 of Unsecured Financial Creditor, M/s Aditya Birla Finance Limited; Legal Recall Notice dated 27.09.2021 of Unsecured Financial Creditor, M/s Shriram City Union Finance Limited; Legal Recall Notice dated 11.10.2021 of Unsecured Financial Creditor, IDFC First Bank and Legal Recall Notice dated 14.12.2021 of Secured Financial Creditor, UCO



Bank. Copy of the aforesaid Recall notices have been annexed with the Application.

5. There is no dispute that the Applicant Company has admittedly defaulted in payment of its debts which is over the minimum applicable amount under Section 4 of the Code and therefore is entitled to file the present Application in terms of sub-section (1) of Section 10 of the Code.
6. In compliance with the requirements of Section 10(3)(a) of the Code read with Annex-V of Form 6 of the Rules, the Applicant Company has filed copies of audited financial statements of the Corporate Debtor for the financial years 2018-19 to 2019-20 and provisional statements from 01.04.2021 to 10.02.2022.
7. Further in compliance with Section 10(3)(b) of the Code the Applicant has proposed the name of CS Tara Chand Sharma, Registration No. IBBI/IPA-002/IP-N00218/2017-2018/10670 as the Interim Resolution Professional ('IRP'). The Applicant Company has obtained written communication in Form-2 from the Insolvency Professional for appointment as an IRP. In Form-2 filed along with the Application, it has been affirmed by the proposed IRP that he is a registered Insolvency Professional and qualified to practice as an Insolvency Professional. Further, it has been affirmed/confirmed that no disciplinary proceedings are pending against the proposed IRP. The said Form-2 is annexed at Page No. 143 of the Application.



8. It is noted that the Applicant did not make any submissions with respect to Section 11 of the Code. Therefore, the Applicant is directed to file a Compliance Affidavit within 7 days affirming that the Corporate Applicant is not disqualified in terms of provisions of Section 11 of the Code to file and maintain the Application under Section 10 of the Code. The affidavit shall further confirm that no CIRP has ever been initiated nor any liquidation order or winding-up order has been made against the Applicant Company.
9. In view of the above, it is clear that a default has occurred and the present Application under Section 10 is complete and that the Applicant is not ineligible under Section 11 of the Code. Further, it is evident that the requirements prescribed under sub-section 3(a) and (b) of Section 10 of the Code have also been complied with. Meanwhile, the applicant shall also ensure the service of notice on the relevant authorities such as Registrar of Companies, Income tax Department and/or any applicable sectoral regulators. Further it shall also file any objections/reply received on behalf of the sectoral regulators.
10. The Insolvency and Bankruptcy Code, 2016 is a complete Code in itself. The provisions of the Code are to be mandatorily followed. Adherence to the statutory requirements has to be in toto. Section 10(4)(a) of the Code mandates the Adjudicating Authority to admit the application if it is complete. When the language of the Code is clear and explicit the



Adjudicating Authority must give effect to it, whatever may be the consequences.

11. In view of the foregoing, we are satisfied that the present Application is complete and that the Applicant Corporate Debtor has committed a default. Therefore, as the Application is complete the present petition is admitted under section 10(4)(a) of the Code. The corporate insolvency resolution process shall commence from the date of this order under sub-section 5 of Section 10 of the Code.
12. A moratorium in terms of Section 14 of the Code is being issued prohibiting the following:
 - *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 or enforce any security interest created by the 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;*



- *recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.*

13. It is further directed that:

- *The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during the moratorium period.*
- *The provisions of sub-section (1) of section 14 of the Code shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.*

14. Tara Chand Sharma, Registration No. IBBI/IPA-002/IP-N00218/2017-2018/10670 is appointed as Interim Resolution Professional, who shall take statutorily prescribed steps inter-alia as envisaged under Section 15, 17 and 18 of the Code. Since the tenure of the IRP under section 16(5) shall normally not exceed 30 days from the date of his appointment; the IRP is directed to submit his report at the earliest.

15. The order of moratorium shall have effect from the date of this order till the completion of the corporate insolvency resolution process as per sub-section (4) of Section 14 of the Code.



16. Let a copy of this order be supplied to the Applicant as well as the interim resolution professional to carry out the CIRP at the earliest. A copy of this order shall also be communicated to IBBI for its records.

DEEP
CHANDRA
JOSHI

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(DEEP CHANDRA JOSHI)
JUDICIAL MEMBER

RAGHU
NAYYAR

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(RAGHU NAYYAR)
TECHNICAL MEMBER