



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV

CP (IB) No.3236/MB-IV/2019

Under Section 9 of the IBC, 2016

In the matter of

V. Singhi & Associates

61, 6th Floor, Sakhar Bhavan, 230,
Nariman Point, Mumbai-400021.

...Operational Creditor

v/s.

Pallavi Dealers Private Limited

Great Social Building, 2nd Floor, 60, Sir
P.M. Road, Mumbai 400001.

[CIN: U51109MH2007PTC251232]

...Corporate Debtor

Order Delivered on: 11.01.2024

Coram:

Ms. Anu Jagmohan Singh
Hon'ble Member (Technical)

Mr. Kishore Vemulapalli
Hon'ble Member (Judicial)

Appearances:

For the Operational Creditor:

. Adv. Pooja Batra i/b Mr. Sushil
Singh.

For the Corporate Debtor:

. Adv. Varun Nathani i/b Adv. Komal
Salvi.

ORDER

1. This is a Company Petition filed under section 9 of the Insolvency & Bankruptcy Code, 2016 (IBC) by V. Singhi & Associates ("the Operational Creditor"),



seeking initiation of Corporate Insolvency Resolution Process (CIRP) in the matter of Pallavi Dealers Private Limited, the Corporate Debtor.

2. The Corporate Debtor is a private company limited by shares incorporated on 03.02.2007 under the Companies Act, 1956, with the Registrar of Companies, Maharashtra, Mumbai. Its registered office is Great Social Building, 2nd Floor, 60, Sir P.M. Road, Mumbai 400001. Therefore, this Bench has jurisdiction to deal with this petition.
3. The Company Petition is filed on 09/09/2019 claiming an amount of Rs. 2,70,550/- (Two Lakh Seventy Thousand Five Hundred and Fifty Only) is due and payable by the Corporate Debtor. The date of default as specified in Part IV of the petition is 16.01.2018 and that the Petition is filed within the limitation period.

Submissions advanced by the Operational Creditor are as follows:

4. The Operational Creditor submits that the Operational Creditor being Chartered Accountant has provided the services related to Income tax and Secretarial Services during the period from 01st October, 2016 to 31st January, 2018 to the Corporate Debtor.
5. It was further submitted that the Invoice (Invoice No. M0548/2016-17 dated 31.03.2017 and Invoice No. Mum537/2017-2018 dated 01.01.2018) was raised and sent to Corporate Debtor amounting to Rs. 2,58,750/- and Rs. 11,800/-.
6. The Operational Creditor submits that the Corporate Debtor has not made payments till date despite of request made through Letter dated 01st January, 2018.
7. The Operational Creditor served a demand letter to Corporate Debtor dated 30th January, 2019 for the amount payable demanding the entire amount within a period of 10 (Ten) days from the date of issuance of the letter and the Corporate Debtor did not respond to the said demand notice.



Submissions advanced by the Corporate Debtor are as follows:

8. The Corporate Debtor submits that the Corporate Debtor was carrying out the business of trading in scrap of mixed metals i.e. dismantling of old and used plant factories. That over the years the business of the Corporate Debtor has suffered tremendously and entangled in various civil and criminal cases and therefore is currently a loss-making entity.

Findings

9. The bench heard the arguments of Learned Counsel for Operational Creditor & Learned Counsel for Corporate Debtor and perused the record.

10. This Bench notes that amount of Rs. Rs. 2,70,550/- was due on account of services rendered to the Corporate Debtor. That the Corporate Debtor in its own reply has admitted its liability by stating that the Corporate Debtor is currently not carrying any business activities and had availed the services of the Operational Creditor, however, on account of poor financial position, the Corporate Debtor is unable to honour its commitment towards the Operational Creditor and is currently not in a position to make the payment claimed by the Operational Creditor in the captioned Company Petition. In view of the admission by the Corporate Debtor of the liability, the bench observes that Operational Debt amounting to more than Rs. 1,00,000/- (Rupees One Lakh Only) is due and payable by the Corporate Debtor. There is default by the Corporate Debtor in payment of debt amount. Therefore, we find that it is a fit case for initiation of CIRP against the Corporate Debtor.

11. It is, accordingly, hereby ordered as follows: -

- (a) The petition bearing CP (IB) 3236/MB/2019 filed by V. Singhi & Associates, the Operational Creditor, under section 9 of the IBC read with rule 4(1) of the Insolvency and Bankruptcy (Application to Adjudicating



Authority) Rules, 2016 for initiating Corporate Insolvency Resolution Process (CIRP) against Pallavi Dealers Private Limited [CIN: U51109MH2007PTC251232], the Corporate Debtor, is Admitted. We are hereby directing the Suspended Board of Director to Co-operate with the RP/IRP for smooth functioning of CIRP proceeding with providing necessary documents/information as required by the RP/IRP.

(b) There shall be a moratorium under section 14 of the IBC, in regard to the following:

- (i) 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;
- (ii) Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
- (iii) 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 (SARFAESI) Act, 2002;
- (iv) The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.

(c) Notwithstanding the above, during the period of moratorium: -

- (i) The supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period;
- (ii) That the provisions of sub-section (1) of section 14 of the IBC shall not apply to such transactions as may be notified by the Central Government in consultation with any sectoral regulator;

(d) The moratorium shall have effect from the date of this order till the completion of the CIRP or until this Adjudicating Authority approves the



resolution plan under sub-section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Debtor under section 33 of the IBC, as the case may be.

- (e) Public announcement of the CIRP shall be made immediately as specified under section 13 of the IBC read with regulation 6 of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- (f) Mr. Uttam Tekriwal, Registration No: IBBI/IPA-001/IP-P-02192/2020-2021/13365, having address at Flat D2, Haridham Apartments ,35 Dhakuria Station Road ,near Dhakuria Bridge , Kolkata, West Bengal ,700031, email-ip.uttamtekriwal@gmail.com is hereby appointed as Interim Resolution Professional (IRP) of the Corporate Debtor to carry out the functions as per the IBC. The fee payable to IRP or, as the case may be, the RP shall be compliant with such Regulations, Circulars and Directions issued/as may be issued by the Insolvency & Bankruptcy Board of India (IBBI). The IRP shall carry out his functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the IBC.
- (g) During the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of section 17 of the IBC. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP within a period of one week from the date of receipt of this Order, in default of which coercive steps will follow.
- (h) The Operational Creditor shall deposit a sum of Rs. 2,00,000/- with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of Creditors (CoC).
- (i) The Registry is directed to communicate this Order to the Operational Creditor, the Corporate Debtor and the IRP by Speed Post and email immediately, and in any case, not later than two days from the date of this Order.



- (j) IRP is directed to send a copy of this Order to the Registrar of Companies, Maharashtra, Mumbai, for updating the Master Data of the Corporate Debtor. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Court within seven days from the date of receipt of a copy of this order.

Sd/-

**ANU JAGMOHAN SINGH
MEMBER (TECHNICAL)**

Sd/-

**KISHORE VEMULAPALLI
MEMBER (JUDICIAL)**