

**IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI
BENCH-VI**

IB-1125/(ND)/2019

Section: Under Section 9 of the Insolvency and Bankruptcy Code, 2016 and Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority), Rules, 2016.

In the matter of:

M/S SANTOSH ASSOCIATES

7, New Arya Nagar,
Delhi Meerut Road,
Ghaziabad-201003

...Applicant

Versus

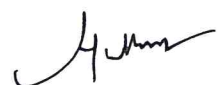
PARAMEX TRANSFORMERS LIMITED

G-9, First Floor, Lawrence Road,
Industrial Area, New Delhi-110035

Also at:

D-25, 26 UPSIDC Site C,
Surajpur, Greater Noida,
Uttar Pradesh-201306

...Respondent



Coram:

DR. P.S.N. PRASAD
Hon'ble Member (Judicial)

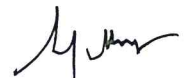
DR. V.K. SUBBURAJ
Hon'ble Member (Technical)

Counsel for Applicant: Mr. Harshit Garg, Advocate

ORDER

Date:26.11.2019

1. This is an application filed by the Applicant M/s Santosh Associates seeking to initiate corporate insolvency resolution process ("CIRP") of the Respondent M/s Paramex Transformers Limited, under Section 9 of the Insolvency and Bankruptcy Code 2016 ("the Code") for the alleged default on the part of the Respondent in settling the amount of Rs. 7,21,487/- including the interest component towards the supply of transformer oil. The details of transactions leading to the filing of this application as averred by the Applicant are as follows:
 - i. On 15.07.2015, the Respondent placed an order for the supply and delivery of transformer oil to Indian Oil Corporation (Marketing Division) wherein the Applicant was named as the distributor of the transformer oil.



- ii. On 29.07.2015, pursuant to the order of Respondent dated 15.07.2015, the Applicant bought the transformer oil from Indian Oil Corporation, Kolkata. The Respondent authorized M/s Shanti Roadlines to deliver the transformer oil to Respondent in Noida from Kolkata. The freight charges amounting to Rs. 1,12,200/- were duly paid by the Respondent to M/s Shanti Roadlines.
- iii. The payment for the transformer oil for Rs. 10,23,967/- was made by the Applicant to the Indian Oil Corporation as per the invoice, as Applicant is the authorized distributor of transformer oil. Subsequently, after delivery of the oil to the Respondent on 03.08.2015, the Applicant raised an invoice for Rs.10,23,967/- in the Respondent's name.
- iv. The Respondent has accepted and enjoyed the services of the goods delivered by the Applicant without raising any dispute as regards to the quality, quantity and price in respect of the goods delivered.
- v. The Respondent upon receipt of the invoice made payment of Rs. 6,00,000/-. An amount of Rs. 4,23,967/- is still pending and is due and payable to the Applicant by the Respondent. The last payment received from the accounts of the Respondent towards the satisfaction of the due amount was on 06.04.2016.



- vi. The Applicant sent numerous reminders by way of letter dated 11.05.2017, 22.04.2017 and 11.08.2016, but it came back to the Applicant undelivered. The Applicant also requested the payment of the outstanding dues by way of email dated 20.11.2018 while referring to the telephonic conversation between Applicant and the director of Respondent however, the Respondent continuously failed to honor the demand made by the Applicant.
- vii. The Applicant on 24.03.2019 served the Respondent a demand notice under Section 8 of the Code but the same came back to the Applicant undelivered. The Applicant sent the demand notice by way of email also which was duly delivered to the Respondent, however, Respondent failed to make payment within 10 days from the date of demand notice.
2. From the perusal of the affidavit of service filed by the Applicant it is seen that the demand notice sent by the Applicant through speed post has returned undelivered as the Respondent was not available in the address given. However, the demand notice was sent to the e-mail address of the Respondent as given in the master data of the company and it was delivered. Despite opportunities given by way of notices by the Applicant as well as this Tribunal the Respondent was not



present and as a result the Respondent was set ex-parte. The matter was proceeded with.

3. We heard the arguments made by the counsel for the Applicant and perused the documents submitted by the Applicant. From the details it is clearly seen that the Applicant has established the existence of debt and default on the part of the Respondent. Hence this Tribunal initiates CIRP on the Respondent with immediate effect.
4. A moratorium in terms of Section 14 of the Code is imposed forthwith in following terms:

“(a) the institution of suits or continuation of pending suits or proceedings against the Respondent including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

(b) transferring, encumbering, alienating or disposing of by the Respondent 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 Respondent in respect



of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

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

- (2) The supply of essential goods or services to the Respondent as may be specified shall not be terminated or suspended or interrupted during moratorium period.
 - (3) The provisions of sub-section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
 - (4) The order of moratorium shall have effect from the date of such order till the completion of the corporate insolvency resolution process.”
5. The interim resolution professional (“IRP”), named in the list provided by the IBBI, is Pooja Bahry (email id: pujabahry@yahoo.com, phone number: 9811071716) being



confirmed by this bench. She shall take such other and further steps as are required under the statute, more specifically in terms of Section 15, 17 and 18 of the Code and file his report within 30 days before this Bench.

6. The Applicant shall deposit a sum of Rs. 2 lakhs to enable the IRP to meet the immediate expenses. The same shall be accounted for by the IRP and shall be reimbursed to the Applicant to be recovered as costs of the CIRP.

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(Dr. V.K. SUBBURAJ)
MEMBER (TECHNICAL)

S - d

(Dr. P.S.N. PRASAD)
MEMBER (JUDICIAL)

Deepak