

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT NO. 5, MUMBAI BENCH

C.P. (IB) - 66/MB/2020

Under Section 9 of the I&B Code, 2016

*In the matter of*

M/S. Shree Shyam Trading Company

107, Morya Classic, 1<sup>st</sup> Floor, Opp.  
Infinity Mall, Off. Link Road, Andheri  
(West), Mumbai- 400053

.... Petitioner

vs.

M/S. Mohota Industries Limited

Block No. 15, 3<sup>rd</sup> Floor, Gate No. 2,  
Devkaran Mansion, 63, Princess Street,  
Mumbai- 400002

.... Corporate Debtor

Order Pronounced on: 30.08.2021

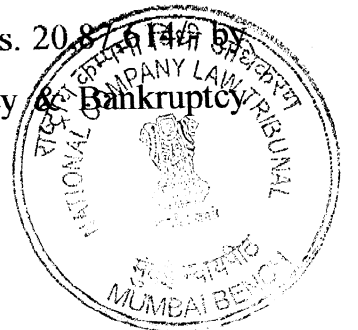
Coram: Hon'ble Suchitra Kanuparthi, Member (Judicial)  
Hon'ble Chandra Bhan Singh, Member (Technical)

For the Petitioner: Adv. Reshant Shah, Adv. Mayuri Somaiyya  
For the Corporate Debtor: Adv. Pravin Dabade, Adv. R. H. Agrawal

*Per: Chandra Bhan Singh, Member (Technical)*

ORDER

1. M/S. Shree Shyam Trading Company (hereinafter called as 'Petitioner') has sought the Corporate Insolvency Resolution Process of M/S. Mohota Industries Limited (hereinafter called as the 'Corporate Debtor') on the ground that the Corporate Debtor committed default to the extent of Rs. 20,87,614/- by invoking the provisions of Section 8 and 9 of the Insolvency & Bankruptcy



Code (hereinafter called "Code") read with Rule 5 and 6 of Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

Contentions of the Petitioner:

2. The Counsel for the Petitioner submits that the Corporate Debtor had approached the Petitioner and verbally placed order for purchase of some materials. Accordingly, the Petitioner, in turn, placed order with its supplier, M/S. Milan Ginning Pressing Pvt. Ltd. (Supplier) for supply of the materials to the Corporate Debtor. The materials were directly supplied by the Supplier to the Corporate Debtor on behalf of the Petitioner which were received by the Corporate Debtor without any demur and dispute. The Petitioner raised the following invoice with respect to the said delivery upon the Corporate Debtor:



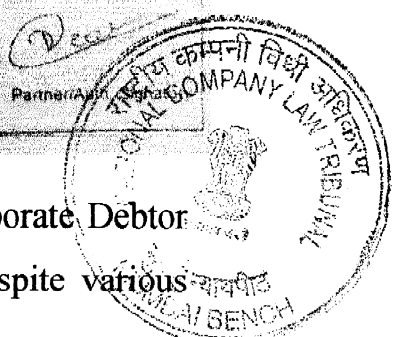
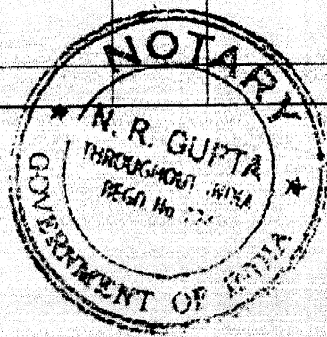


# SHREE SHYAM TRADING COMPANY

107, MORVA CLASSIC, 1ST FLOOR, ANP INFINITY MALL OFF, LINK ROAD, ANDHRI (W), MUMBAI - 400026  
Phone: +91 22 61774795 / 477614297 / 477719079 Email: shreeshyamstr@gmail.com  
GSTIN: 27AADU56791B1ZG PAN No: AADU56791B

## TAX INVOICE

Invoice No: <b>SSTC/ 15</b> Date: <b>01/05/2019</b>		Transport: <b>EXPRESS CARGO AND LOGISTICS</b> Vehicle No: <b>GU13AW 1627</b> P.O. No: <b>6684</b> E Way Bill No: <b>661100796421</b>						
State Name: <b>MAHARASHTRA</b> State Code: <b>27</b>		Details of Receiver ( Billed To )						
<b>MOHOTA INDUSTRIES LTD.</b> Address: <b>VT. MANOIR WARD, HINGANGHAT 442301, DISTRICT WARANGAL</b>		<b>MOHOTA INDUSTRIES LTD.</b> Address: <b>VT. BURKONI, TAP. BURKANGHAT, 442301</b>						
GSTIN: <b>27AAACT4122H12M</b> PAN No: <b>AAACT4122H</b> State: <b>MAHARASHTRA</b> State Code: <b>27</b>		GSTIN: <b>27AAACT4122H12M</b> State: <b>MAHARASHTRA</b> State Code: <b>27</b>						
Invoice No: <b>ASHUTOSH M. CHIRANIA</b> Due Date: <b>07/05/2019 (25 Days)</b>								
Product Description	HSN/ SAC Code	Lot No.	D.O.No.	Bags /Box	Weight (Kgs.)	Rate per 1.00 Kgs.	Amount (Rs.)	
1. 100% COMBED COMBED COMPACT MOLEN SPINNING PRESSING PVT. LTD.	5205		15	175	7,938.000	225.9524	17,93,610.15	
<b>Total</b>				175	7,938.000		17,93,610.15	
Less Discount @ 0.00%							0.00	
<b>Taxable Value</b>							<b>17,93,610.15</b>	
IGST @ 0.00%							0.00	
CGST @ 2.50%							44840.25	
SGST @ 2.50%							44840.25	
Round Off.							0.00	
<b>Total Invoice Amount in Words</b> : Rs. Eighteen Lakhs Eighty-Three Thousand Two Hundred Ninety-One Only							<b>Total Amount After Tax</b>	<b>18,83,291.00</b>
<b>Bank Details</b> Bank Name: <b>KOTAK MAHINDRA BANK LTD</b> Branch: <b>LOKHANDWALA, ANDHERI (W), MUMBAI</b> Account No: <b>2913027877</b> IFSC Code: <b>KKBK0001401</b>							If any dispute arises out of this transaction the same shall be referred to THE BOMBAY YARN MERCHANTS ASSOCIATION & EXCHANGE LTD for arbitration under their rules and regulations. The decision given thereon shall be binding upon we both and the Courts of Mumbai shall have sole jurisdiction over the said arbitration proceeding.	
Certified that the particulars given above are the true and correct. For <b>SHREE SHYAM TRADING COMPANY</b>								
Terms & Conditions: 1. We are not responsible for any loss or damage of goods during transit. 2. Interest will be charged @ 24% + GST P.A. after due date of the bill. 3. Payment should be made Bill to Bill by A/c Payee's Cheque / Draft / RTGS/ NEFT only. 4. We reserve the right of recovery at any time before the due date of bill. 5. Any complaint regarding goods should be made within 7 days from the receipt. 6. Jurisdiction: Mumbai jurisdiction.							Partner/Agent _____ Checked By	



3. The Counsel for the Petitioner further submits that the Corporate Debtor failed to make payment against the above extracted invoice. Despite various

reminders and requests, the Corporate Debtor failed to make any payment. The cause of action arose on 27.05.2018 being the date of default. The Petitioner, thereafter, issued and sent the Demand Notice dated 25.11.2019 in Form-3 under Section 8 of the Code to the Corporate Debtor to which the Corporate Debtor never replied. Moreover, the Corporate Debtor neither made any payment towards the above-mentioned unpaid debt nor it disputed the existence of the same as stipulated under the provisions of the Code. Hence, the Petitioner proceeded to file the present Petition.

4. The Petitioner also annexed the copies of the Invoice No. T0069 dated 02.05.2019 of ₹18,46,801/- of Milan Ginning Processing Pvt. Ltd., e-way Bill No. 661100796471 dated 02.05.2019 showing the materials being supplied to the Corporate Debtor; GST summary for B2B of the Petitioner; certified bank statement of the Petitioner issued by the Kotak Mahindra Bank Lokhandawala Branch, Andheri (west), Mumbai for the period from 01.05.2019 to 31.12.2019; and Ledger Account of Corporate Debtor for the period from 01.04.2019 to 24.11.2019 to prove the amount due for payment by the Corporate Debtor to the Petitioner.

Findings:

5. The Bench notes that the present Petition is a clear case of the debt and default. The Corporate Debtor herein had been using the materials supplied by Milan Ginning Pressing Pvt. Ltd. and on behalf of the Petitioner. The Petitioner also issued an invoice of ₹18,83,291/- upon the Corporate Debtor for the materials provided by the Petitioner which was duly accepted by the Corporate Debtor. The Petitioner sent several reminder emails to the Corporate Debtor for the payment of the outstanding amount but they were of no avail as the Corporate Debtor did not make any payment.

6. Thereafter, the Section 8 Demand Notice dated 25.11.2019 issued by the Petitioner to the Corporate Debtor through its advocate which was delivered to



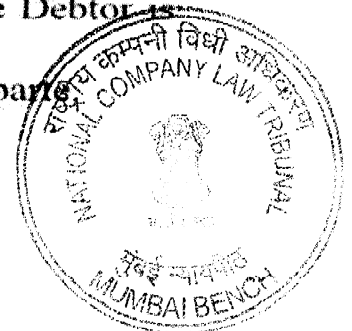
the Corporate Debtor, but the Corporate Debtor did not pay any heed towards the reply nor the payment.

7. The Bench also notes that the Petitioner has annexed the Ledger Account of the Corporate Debtor for demonstrating the outstanding liabilities due and payable to the Petitioner. The Ledger Account is as below:

SHREE SHYAM TRADING COMPANY							
107, MORYA CLASSIC, 1ST FLOOR, OPP INFINITY MALL, OFF LINK ROAD, ANDHERI (W), MUMBAI - 400053							
Email: Phone +9122-61274175 / 477614777 / 7879							
For the year 2019-2020							
MOHOTA INDUSTRIES LTD. - HINGANGHAT							
Period: 01/04/2019 - 24/11/2019							
Txn Date	Type	Txn No	Particulars	Debit Amount	Credit Amount	Run. Balance	Dr/Cr
01-04-19	OP		OPENING BALANCE		0	0	Cr
02-05-19	SSTC	15	TRADING YARN SALES (GST)	1883291	0	1883291	Dr
				18,83,291.00	0.00		

8. There is one more important fact which attracts the Bench's attention and it is that this matter had come up for hearing on several occasions in the past namely 09.01.2020, 31.01.2020, 25.02.2020, 07.07.2021, 16.07.2021 and 11.08.2021. The Corporate Debtor was given many opportunities to file the reply on these several occasions since beginning but the Corporate Debtor did not bother to file reply. On 11.08.2021, the Bench observed the following:

1. Mr. Reshant Shah, Advocate, appeared for the Counsel for the Petitioner in the matter. Counsel for the Corporate Debtor failed to appear today despite service of notice.
2. It is to be noted that Counsel for the Corporate Debtor appeared before this Bench on 09.01.2020 and on 31.01.2020, thereafter he appeared on 25.02.2020. Again, the matter was listed on 07.07.2021, where Counsel for the Corporate Debtor failed to appear and clear instructions were given regarding filing of reply otherwise their right to file reply will be forfeited. Today again the Corporate Debtor is absent.
3. Counsel for the Corporate Debtor is hereby set ex-parte.
4. Heard the Counsel for the Petitioner briefly.
5. **Reserved for order.**



9. With the mere reading of the above-mentioned facts, it has become crystal clear to the Bench that the Corporate Debtor has clearly defaulted in paying its dues to the Petitioner. The Bench has no hesitation in concluding that the Corporate Debtor has committed a default and therefore, it is a fit case for admission.

10. This Bench, on perusal of the documents filed by the Petitioner, is of the view that the Corporate Debtor defaulted in paying the total outstanding dues to the Petitioner. Therefore, the Petition under Section 8 & 9 of the code is taken as complete, accordingly this Bench hereby admits this Petition, prohibiting all of the following of item-(I), namely:

(I) (a) 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;

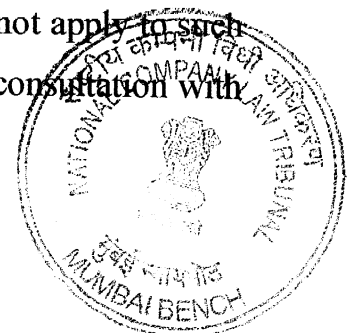
(b) transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;

(c) any action to foreclose, recover or enforce any security interest created by the 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 (SARFAESI Act);

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

(II) 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.

(III) 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.



(IV) 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.

(V) That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under Section 13 of the Code.

(VI) That this Bench hereby appoints, Mr. Mahesh Kumar Gupta; having Registration No. IBBI/IPA-001/IP-P-00478/2017-18/10866; having address at Address: 28, Jai Bharat Ind Estate, Near Western Exp Highway, Opp. Virwani Ind Estate, Goregaon- East, Mumbai, Maharashtra- 400101 as an Interim Resolution Professional to carry the functions as mentioned under Insolvency & Bankruptcy Code.

11. The Registry is hereby directed to communicate this order to both the parties and the Interim Resolution Professional immediately.


Sd/-

Chandra Bhan Singh  
Member (Technical)

Sd/-

Suchitra Kanuparthi  
Member (Judicial)

Certified True Copy  
Copy Issued "free of cost"  
On 08/11/2021

  
R.S. Sonawane  
Deputy Registrar  
National Company Law Tribunal Mumbai Bench  
Government of India

