

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH**

C.P. (IB) 99/2019

Under section 9 of the IBC, 2016

In the matter of

Buzz Events,

Basilio Soares Complex, Building-B,

3rd Floor, Office No. T5,

St. Inex, Goa-403001

.... Petitioner

v/s.

Varron Aluminium Private Limited,

403, Floor-4, Shree Krishna Building,

Sant Gadge Baba Marg, Off.

Dadasaheb Phalke Road, Dadar

(East), Mumbai, Maharashtra-

400014

....Respondent/Corporate Debtor

Order pronounced on: 15.10.2019

Order delivered on: 06.11.2019

Coram: Hon'ble Bhaskara Pantula Mohan, Member (Judicial)

Hon'ble Shyam Babu Gautam, Member (Technical)

For the Petitioner: Mr. P. S. Thakre, Company Secretary

For the Respondent: None



Per: Bhaskara Pantula Mohan, Member (Judicial)

ORDER

1. This Company Petition is filed by Buzz Events (hereinafter called "Petitioner") seeking to set in motion the Corporate Insolvency Resolution Process (CIRP) against Varron Aluminium Private Limited (hereinafter called "Corporate Debtor") alleging that the Corporate Debtor committed default on 14/03/2017 in making payment to the extent of Rs. 14,33,363/- in view of services provided by them by invoking the provisions of Section 8 and 9 of Insolvency

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

2. The Corporate Debtor is a company incorporated on 18/02/2008 bearing CIN U27310MH2008PTC289939 and having Nominal Share Capital and Paid Up Share Capital of Rs.6,5,00,00,000/-
3. According to the Petition filed by the Petitioner there were services of event organization provided to the Corporate Debtor by the them in the month of January, 2017. The services provided to the Corporate Debtor were worth INR 21,85,000/- and the total payment received by the petitioner is only INR 10,00,000/- till 15/02/2017.
4. The petitioner mentioned that as per the terms decided between them, they approached the Corporate Debtor to repay the amount along with interest, but the Corporate Debtor failed to adhere to the financial discipline and defaulted in making the payment.
5. The petitioner further mentioned that a statutory demand notice was issued under Section 8 of Insolvency and Bankruptcy Code, 2016 by the petitioner on 07/08/2018 to the Corporate Debtor at its registered office wherein the petitioner claimed the principle amount of INR 11,85,000/- with due interest of INR 2,48,363/- upto 07/08/2018 total amounting to Rs. 14,33,363/- to be paid within 10 days of issue of notice. However, the petitioner mentioned that there was no objection/dispute raised by the Corporate Debtor over this notice.
6. The professional appearing for the petitioner has annexed the following documents in support of the petition:
 - i. Copy of Demand Notice to the Corporate Debtor.
 - ii. Copy of Bank Statements of petitioner and bank certificates.
 - iii. Detailed list of invoice raised along with copy of invoices to Corporate Debtor.
 - iv. Copy of ledger Account of the Corporate Debtor in the Books of petitioner.



- v. Copy of reminder mails sent to Corporate Debtor and the correspondence.
- vi. Computation sheet of amount.
- vii. Certified Copy of Authorization letter
- viii. Duly attested copy of power of attorney.

7. The petitioner has annexed the copy of e-mail received from the Corporate Debtor dated 01/10/2018 as a reply to their e-mail (demanding payment of debt amount of Rs.11,85,000/- and claiming amount of Rs.14,33,363/- along with interest) wherein the Corporate Debtor had admitted that they were unable to make the payment due to some reason and are looking forward to do it within 15 days. But the petitioner mentioned that no payment was received and in consequence, this petition under Section 9 of the Insolvency and Bankruptcy Code, 2016.

8. The Director of the Corporate Debtor had appeared before this Bench on 18/07/2019 and was submitted that he will make the payment of the entire claim within a week to the petitioner. But on the next date of hearing i.e. on 26/07/2019, it was reported that the settlement talks had failed.

9. The counsel for the petitioner mentioned that a payment of Rs.3,50,000/- was made by the Corporate Debtor in the course of proceeding.

10. Later there was no representation on behalf of the Corporate Debtor and therefore, last warning was given to him that if he failed to appear, the matter will be proceeded in his absence on merits and hence, the matter was posted for final hearing but the counsel for the Corporate Debtor did not turn up before this Bench.

11. Accordingly, we have heard the petitioner at length and after perusal of all the documents placed on record, this Bench is pleased to pass the following order.

ORDER

12. We have heard the petitioner and perused all the documents submitted which enough to establish the debt upon the

Corporate Debtor. Also, the Corporate Debtor has accepted the liability by stating that the dues will be paid within a week and also via e-mail, it was agreed that the dues will be paid within 15 days but in actual failed to do so.

13. Moreover, there was lenient approach on the part of the Corporate Debtor by not tendering his appearance before this Bench even after being warned and therefore, in consequence this order is passed on merits after hearing the petitioner at length.

14. There is no doubt on the fact that there were services worth Rs. 21,85,000/- provided by the petitioner to the Corporate Debtor and therefore the Corporate Debtor was to pay a total amount of Rs. 11,85,000/- as they had already made an advance payment of Rs. 10,00,000/- The petitioner has annexed the invoices and the statements of accounts for the same.

15. The petitioner had sent demand notice dated 07/08/2019 wherein a demand of principal amount of Rs.11,85,000/- was made along with interest of Rs.2,48,363/- total amounting to Rs. 14,33,363/-

16. Also, the petitioner mentioned that the Corporate Debtor, during the pendency of this petition had made a payment of Rs.3,50,000/-. Also, the Director of Corporate Debtor when appeared before this Bench mentioned that he will clear all the dues. Therefore, it can be concluded that they did not deny the existence of debt and that there was default on their part.

17. Hence, all the requisite conditions necessary for admission of a petition under Section 9 have been found to be fulfilled and therefore, this petition deserves to be admitted.

18. Therefore, this Bench having been satisfied with the Application filed by the Operational Creditor which is in compliance of provisions of section 8 & 9 of the Insolvency and Bankruptcy Code admits this Application declaring moratorium with the directions as mentioned below:



- (a) That this Bench hereby prohibits 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; 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 Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.
- (b) 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.
- (c) 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.
- (d) That the order of moratorium shall have effect from 06.11.2019 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.
- (e) That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.
- (f) That this Bench hereby appoints Ms. Tanuja Jalan, having her registered office at B-1706, Abrol Vastu Park, Evershine Nagar, New Link Road, Malad West, Mumbai-400064 and having Registration No: IBBI/IPA-002/IP-N00101/2017-18/10244 as an interim resolution professional to carry out the functions as mentioned under the Insolvency & Bankruptcy Code.



19. Accordingly, this Petition is allowed.


20. The Registry is hereby directed to communicate this order to both the parties and to IRP immediately.

Sd/-
SHYAM BABU GAUTAM
Member (Technical)

Sd/-
BHASKARA PANTULA MOHAN
Member (Judicial)



Certified True Copy
Copy Issued "free of cost"
On 29/11/2019


Assistant Registrar
National Company Law Tribunal Mumbai Bench