

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD BENCH  
AHMEDABAD  
COURT - II**

**COMPANY APPLICATION No. CP (IB) 30/NCLT/AHM/2022**

[Application for initiation of Corporate Insolvency Resolution Process under Section 9 of the Insolvency & Bankruptcy Code, 2016]

**In the Matter of:**

**Holzwood Industries Private Limited**

**Applicant/  
Operational Creditor**

**Versus**

**Bohra Fashions Private Limited**

**Respondent/  
Corporate Debtor**

**Order Pronounced on: 10/05/2022**

**Coram:**

**Dr. Deepti Mukesh, Hon'ble Member(Judicial)  
Ajai Das Mehrotra, Hon'ble Member (Technical)**

**MEMO OF PARTIES**

**Holzwood Industries Private Limited**

A-201, Asin Pearl, Science City Road,  
Sola, Ahmedabad 380 060

Gujarat State

...

**Applicant/Operational Creditor**

**Versus**

**Bohra Fashions Private Limited**

8<sup>th</sup> Floor, Vanijya Bhavan

Kankaria

Ahmedabad

Gujarat State

...

**Respondent/Corporate Debtor**

**Appearance:**

For Applicant : Mr. Rashesh Sanjanwala, Sr. Advocate  
with Mr. Alkesh Jalan, Advocate

For Respondent : Ms. Dipika Soni, PCS

**ORDER**

1. This application is filed under Section 9 of Insolvency and Bankruptcy Code, 2016 (for brevity 'IBC, 2016') read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (for brevity 'the Rules') on 27.01.2022 by Mr. Alkesh Jalan, Company Secretary, authorised vide Board Resolution dated 01.12.2021, of **M/s. Holzwood Industries Private Limited** (for brevity 'Applicant') with a prayer to initiate the Corporate Insolvency process against **Bohra Fashions Private Limited** (for brevity 'Corporate Debtor').
2. The Applicant operational creditor is a private limited company incorporated under the provisions of Companies Act, 2013, duly registered with the Registrar of Companies, Ahmedabad, Gujarat

State, having registered office at A-201, Asian Pearl, Science City Road, Ahmedabad and having CIN U20298GJ2018PTC100980, is engaged in the business of linen and cotton fabrics.

3. The corporate debtor is a private limited company, incorporated under the provisions of Companies Act, 1956 on 05.03.2011, duly registered with Registrar of Companies, Ahmedabad, Gujarat State with CIN: U17120GJ2011PTC064273 and having registered office at 8<sup>TH</sup> Floor Vanijya Bhavan, Kankaria, Ahmedabad, Gujarat State. Authorised share capital of the corporate debtor is Rs. 26,00,000/- and paid up share capital of the company is Rs. 26,00,000/-. The corporate debtor company is engaged in the business of sale of garments.
4. It is submitted by the applicant that during the period from 01.04.2021 to 30.11.2021 the applicant had supplied fabrics to the corporate debtor against which a sum of Rs. 1,14,34,390.28 is outstanding and payable by the corporate debtor.
5. The applicant issued demand notice in Form 3 dated 01.12.2021 under the provisions of the IB Code which was duly delivered on 05.03.2022 as per track consignment report filed by the applicant at the address as per master data. Corporate debtor has not replied to the demand notice dated 01.12.2021, neither made any payment of outstanding dues of the applicant.
6. The applicant filed application under Section 9 of the IB Code. As per part IV form 5 an amount of Rs. 1,14,34,390.28 (Rupees one crore fourteen lacs thirty-four thousand three hundred

ninety and paise twenty-eight only) is due and payable to the applicant by the corporate debtor.

7. The applicant has filed ledger account of the corporate debtor maintained in books of accounts of the operational creditor for the period from 01.04.2021 to 20.12.2021. The applicant has also filed copies of the invoices raised, bank statement etc.
8. The applicant has filed affidavit as required under Section 9 (3) (b) of the Code stating that from the date of issuance of demand notice dated 01.12.2021 under Section 8 of IB Code, the operational creditor has not received any payment against the outstanding amount from the corporate debtor nor there is any notice given by the corporate debtor relating to any dispute regarding unpaid operational debt.
9. Corporate Debtor filed affidavit in reply acknowledging the debt and stating that:
  - The company is facing the problem of collection of credit sales and due to COVID pandemic its business is affected;
  - Due to financial crunch and business crisis, the corporate debtor could not pay the amount to the applicant;
  - The company is facing losses for last several years and there is difficulty in making payments;
10. The registered office of the corporate debtor is situated in Ahmedabad, Gujarat State and, therefore, this Tribunal has jurisdiction to entertain and try this application.

11. As per part IV, form 5 different dates of default are as per the date of each invoice during the period from 01.04.2021 to 20.12.2021 and the application is filed on 27.01.2022. Therefore, the application filed is within limitation and not barred by Law.
12. Heard submissions and perused the documents on record. The applicant has admitted the operational debt. Considering the acceptance of debt and default, we can consider the admission of application.
13. In the given facts and circumstances, the present application is complete and the applicant is entitled to claim its dues. The present application is admitted in terms of Section 9 (5) of the IB Code, 2016.
14. The applicant/operational creditor has proposed the name of Mr. Atul Jashwantra Sheth to act as Interim Resolution Professional who is hereby appointed as IRP having address at B-27, Saiyam Apartments, Near Nehru Nagar, Ambawadi, Ahmedabad 380 015 having registration No. IBBI/IPA-001/IP-P-02463/2021-22/13854 subject to the condition that no disciplinary proceedings are pending against him. Specific consent of the IRP is filed in Form 2 along with disclosures as required under IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, which is on record.
15. We direct the Operational Creditor to deposit a sum of Rs. 2.00 lacs (Rupees two lacs only) with the Interim Resolution

Professional, namely Mr. Atul J. Sheth to meet out the expenses to perform the functions assigned to him in accordance with regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The needful shall be done within one week from the date of receipt of this order by the Operational Creditor. The amount however be subject to adjustment by the Committee of Creditors, as accounted for by Interim Resolution Professional, and shall be paid back to the Operational Creditor.

16. As a consequence of the application being admitted in terms of Section 9(5) of IBC, 2016, moratorium as envisaged under the provisions of Section 14 (1), shall follow in relation to the Corporate debtor, prohibiting as per proviso (a) to (d) of the Code. However, during the pendency of the moratorium period, terms of Section 14(2) to 14(4) of the Code shall come in force.
17. A copy of the order shall be communicated to the Applicant, Corporate Debtor and IRP above named, by the Registry. In addition, a copy of the order shall also be forwarded to IBBI for its records. Applicant is also directed to provide a copy of the complete paper book to the IRP. A copy of this order be also sent to the ROC for updating the Master Data. ROC shall send compliance report to the Registrar, NCLT.

**SD/-**  
**Ajai Das Mehrotra**  
**Member (Technical)**

**SD/-**  
**Dr. Deepti Mukesh**  
**Member (Judicial)**