

**IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH  
COURT-I**

**C.P. No. 787/IBC/MB/2023**

Under Section 10 of the Insolvency and  
Bankruptcy Code, 2016.

*In the matter of*

**Manan Apparels Limited**

(CIN- U18100MH2005PLC155531)

124, Shree Ram Laxmi Commercial  
Complex, 1<sup>st</sup> Floor, Kalher, Bhiwandi NA,  
Mumbai, Thane, Maharashtra-421302.

**.....Corporate Applicant**

**Order Dated: 30.01.2024**

**Coram:**

Hon'ble Member (Judicial) : Justice V.G. Bisht, (Retd.)  
Hon'ble Member (Technical) : Sh. Prabhat Kumar

**For the Applicant** : Mr.Aniruth Purusothaman, Advocate

**For Intervenor** : Ms.Vidhi Suthar, Advocate.

**Per:** Justice V.G. Bisht

**ORDER**

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1. This Company petition is filed by **Manan Apparels Limited** (hereinafter called "Corporate Applicant") on 07.08.2023, seeking to initiate Corporate Insolvency Resolution Process.

2. The present petition is filed before this Adjudicating Authority on the ground that the total debt raised by the Corporate Applicant is for a sum of Rs. 34,67,46,380/- (Rupees Thirty-Four Crore, Sixty-Seven Lakh, Forty-Six Thousand, Three Hundred Eighty Only). while the total amount in default is Rs.2,68,54,626/- (Rupees Two Crore Sixty-Four Lakhs Fifty-Four Thousand as on 31.07.2023. Six Hundred Twenty-Six Only). Date of Default as per CIBIL Report is on 03.04.2023.
3. The Corporate Applicant is in the Business of Manufacture of Jeans.
4. The Authorized Share Capital of Corporate Applicant is Rs. 6,00,00,000/- and paid up Equity share capital is of Rs.3,23,85,730/-
5. The Corporate Applicant has 6 Financial Creditors and 206 Operational Creditor as on 28.07.2023.
6. The brief facts of the case are as follows: -
  - a. The Corporate Applicant was incorporated on 22.08.2005.
  - b. The Corporate Applicant had approached the State Bank of India with repeated request to stagger FITL/GECL due to slowdown in its business.
  - c. The Total Debt is of Rs. 34,67,46,380/- while the total amount in default is Rs.2,68,54,626/-
  - d. The Date of NPA is on 03.04.2023.

- e. Subsequently State Bank of India on 24.07.2023 issued a demand notice to Corporate Applicant.
- f. The Board of Directors for Manan Apparels Limited passed an Explanatory Statement pursuant to Section 102(1) of the companies act ,2013.
- g. Rekha Kantilal Shah having IBBI Reg No.IBBI/IPA-001/IP-P00776/2017-2018/11349 has been proposed interim Resolution Professional and has given her written consent in Form 2.
- h. The financial condition of the Corporate Applicant distinctly reflects the financial challenges it is currently facing as well as the cash flow shortage. Despite its genuine intentions and earnest efforts to settle outstanding debts, the Applicant continues to grapple with its obligation to meet financial liabilities.
- i. In the light of the above stated facts and circumstances, the Corporate Applicant being left with no other option and compelled to file the present application. The present application is being filed after the due approval of its Board of Directors by way of resolution passed at the Meeting of Board of Directors on 24.07.2023 for initiation of Corporate Insolvency Resolution Process under Section 10 of the Code. The Corporate Applicant has enclosed a copy of Resolution passed by the company in the Meeting of Board of Directors. The Board of Directors of the Corporate Applicant had authorized Mr. Sanjeev Kumar Gogia, who is one of the Director of the Company as to Person to file necessary application under the Code before this Tribunal.

7. The Corporate Applicant has also enclosed the audited

Financial statement for the years 2018-19, 2019-20,2020-2021, 2021-22, 2022-23 and copy of provisional Balance sheet of Corporate Applicant as on 03.07.2023.

8. The Corporate Applicant has also enclosed the list of financial creditors (secured/unsecured), list of properties given as security for the loans availed and extract of charges registered with the Registrar of Companies taken from MCA portal. The Corporate Applicant has also disclosed the names and addresses of the members of the Company with details of their shareholding, details of debt owed by or to the Corporate Applicant to or by persons connected with it and details of personal guarantors of the Corporate Applicant.

9. The Corporate Applicant duly recorded the default with the information utility namely National e-governance Service Limited, date of which the information is submitted:

- Submitter's Name - State Bank of India as on 22.06.2023.
- Submitter's Name - State Bank of India as on 16.05.2023.
- Submitter's Name - State Bank of India as on 06.07.2023.

10. After hearing the submissions and upon perusing the supporting documents annexed with the Petition, this Bench is of the view that the Corporate Applicant has committed default and the Petition contains the particulars as required u/s 10 of the Code.

11. The Corporate Applicant also suggested the name of **Rekha Kantilal Shah** as Interim Resolution Professional along with his consent letter in Form II. Thus, the present Company Petition satisfies all the necessary legal requirements for admission. Accordingly, the above Company Petition is admitted by passing the following order:

**ORDER**

- a. The above Company Petition No. (IB) -787/(MB)/2023 is hereby allowed and initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against Manan Apparels Limited.
- b. This bench has forfeited the right to file the reply of State Bank of India who is an Intervenor/Objector in vide order dated 03.01.2024. Imperatively this bench on two occasions has granted liberty to the Intervenor to file the reply but till date no objection has been filed.
- c. This bench hereby appoints Rekha Kantilal Shah([iprehashah@gmail.com](mailto:iprehashah@gmail.com)) ,insolvency Professional , Registration No.IBBI/IPA-001/IP-P00776/2017-2018/11349 as the interim resolution professional to carry out the functions as mentioned under the Insolvency & Bankruptcy Code, 2016.
- d. The Corporate Applicant shall deposit an amount of Rs. 2,00,000/- towards the initial CIRP cost by way of a Demand Draft drawn in favour of the Interim Resolution Professional appointed herein, immediately upon communication of this Order for meeting the CIRP cost and IRP's fees till the first meeting of CoC and such expenses shall be subject to

ratification. The IRP shall be paid a considerate remuneration of Rs. 1,50,000/- for his services rendered till conclusion of first CoC meeting.

- e. That this Bench hereby prohibits the institution of suits or continuation of pending suits or proceedings against the corporate applicant 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 applicant 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 applicant 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 applicant.
- f. That the supply of essential goods or services to the Corporate applicant, if continuing, shall not be terminated or suspended or interrupted during moratorium period.
- g. 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.
- h. 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 applicant under section 33, as the case may be
- i. That the public announcement of the corporate insolvency

resolution process shall be made immediately as specified under section 13 of the Code.

- j. During the CIRP period, the management of the corporate applicant will vest in the IRP/RP. The suspended directors and employees of the corporate applicant shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP.
- k. Registry shall send a copy of this order to the Registrar of Companies, Mumbai, for updating the Master Data of the Corporate Applicant. Accordingly, this Petition is admitted. The Registry is hereby directed to communicate this order to Corporate Applicant and IRP immediately.

12. Ordered Accordingly.

sd/-

**SH. PRABHAT KUMAR**  
**MEMBER (TECHNICAL**

sd/-

**Justice V.G BISHT**  
**MEMBER (JUDICIAL)**