

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

CP (IB) -4421/IBC/MB/2019
Under Section 9 of the I&B Code, 2016

In the matter of

Indiabulls Distribution Services Ltd

Having registered office at:

1st Floor, Connaught Place,
New Delhi 110 001

And having its branch office at:

8th Floor, Indiabulls Finance Centre
Tower-1, F.P. No. 612-613, Elphinstone
Mills, Senapati Bapat Marg,
Mumbai-400 013

....Petitioner

vs.

**Xrbia Abode Developers Private
Limited**

Office No. 125/126, Patil Plaza Mitram
Mandal Chowk, Parvati,
Pune-411 009

....Respondent

Order delivered on: 13.08.2021

Coram:

Hon'ble Shri H.V. Subba Rao, Member (Judicial)

Hon'ble Shri Chandra Bhan Singh, Member (Technical)

Appearance:

For the petitioner: Ms. Poonam i/b Kshitija Wadatkar

For the respondent: Mr. Akshay Petkar a/w Mr. Aniket Malu

Per: Shri Chandra Bhan Singh, Member (Technical)

ORDER

1. This petition has been filed by Indiabulls Distribution Services Ltd. (hereinafter called the 'Petitioner') for initiation of Corporate Insolvency Resolution Process (CIRP) against Xrbia Abode Developers Private Limited (hereinafter called the 'Respondent') under Section 9 of Insolvency and Bankruptcy Code, 2016 (hereinafter called the 'Code').

2. The counsel for the petitioner submitted that the petitioner and respondent entered into an arrangement vide an Agreement dated 09.03.2016, whereby the petitioner authorized the respondent to act as marketing representative for a real estate project namely "Xrbia Abode" being developed by the respondent. The petitioner issued invoice amounting to Rs.1,67,662/-. The petitioner mentioned that this amount is due since 30.09.2016.
3. The counsel for the petitioner further mentioned that the petitioner vide its demand notice dated 20.12.2016 and vide a reminder letter dated 10.01.2017, requested the respondent to make payment of the outstanding amount of Rs.83,832/-. He submitted that one Mr. Dheeraj Kochar had sent an email dated 31.01.2017 stating that he is chasing with the accounts team and will release part payment by 04.02.2017.
4. Further the petitioner vide its email dated 07.02.2017 sent a statement wherein the amount due was Rs.80,186/-. To this email, Mr. Dheeraj Kochar replied vide an email dated 08.02.2017 on behalf of the Xrbia Group and stated therein that they are trying to solve the issue as the payment is only made through SAP and they are following with the IT and accounts team. The respondent also in the said reply apologized for the delay in making payments and assured to make payments by 15.02.2017. The petitioner again on 19.02.2019 had issued a demand notice u/s 8 of the Code to which the respondent had replied on 05.08.2019.
5. The counsel for the respondent on the other hand has raised question on the very maintainability of this petition. He submitted that the Petition is defective on account of non-compliance with mandatory requirement u/s 9(3)(b) of IBC. As per section 9(3)(b), the petitioner was required to furnish an affidavit to the effect that

no notice given by respondent relating to the dispute of unpaid operational debt. However, in the present case, the petitioner has not annexed the affidavit as required u/s 9(3)(b) of IBC. He submitted that for the sole reason, the Petition needs to be rejected. Also, the Petitioner after being pointed out has made an attempt to submit merely some cover letter to claim.

6. The counsel for the respondent mentioned that there are discrepancies as to the amount of debt and the date when the amount became due. He stated that as per Part-IV of Form-5, the amount is Rs. 1,67,662/- which fell due as of 30.09.2016 whereas the notices issued to the respondent on 20.12.2016 and 10.01.2017 stated the amount due and payable as Rs.83,832/-. Further, as per the email dated 7.02.2017, the amount due and payable was Rs.80,186/- and thus the petitioner itself is not aware of the exact amount of debt they claim.
7. The counsel for the respondent further mentioned that there is a pre-existing dispute between the parties. There were email exchanged between the parties which contains an attachment being a Microsoft Excel file named 'Indiabulls CD calling data (1)' (**"the Excel sheet"**). The said excel files contain two sheets being Sheet No. 1 – 'Raw Data', Sheet No. 2 – 'Summary'. The said excel sheet is a detailed explanation in a tabular format/excel format of all the customers who had booked units in the said Project without the involvement or any connection reference of the Petitioner whatsoever. The said excel sheet also provides links to the audio file of call recordings with each customer from Respondent to verify whether the booking has been done through Petitioner or not. In the said call recordings most of the customers have categorically admitted and informed that they have booked the units in the said Project through referral, friend, advertisement hoarding, customer care or direct walk-in.

8. The counsel for the respondent further stated that as per Clause 7 of the said Agreement, the Petitioner was liable to achieve booking of 100 Units within 6 months from the date of execution of the Agreement. However, the Petitioner breached the Agreement, as it failed to book 100 units in the Project. Also, as per clause 10 of the Agreement dated 09.03.2016, if the customer pays less than 40% or 20% of the sale consideration then the brokerage if any paid to the Petitioner shall be adjusted from the brokerage due on any other unit in the said project.
9. The counsel for the respondent further added that in the year 2016-17, the respondent found out and realised that petitioner has forwarded invoice falsely claiming brokerage for the bookings which were booked through call centre and not the petitioner. Therefore, the dispute between the petitioner and the respondent is regarding the very existence of the debt as claimed and alleged by the petitioner and the same was informed to the petitioner vide email dated 01.03.2017. Thus, the counsel for the respondent submitted that the respondent has raised the dispute much prior to the filing of the petition and issuance of a demand notice. The respondent categorically indicated the claimed invoices subject to the agreement entered into between the parties and since the bookings were not made with the involvement of the operational creditor, no amount was payable to the operational creditor.

FINDINGS

10. This Petition has been filed by the Operational Creditor, M/s. Indiabulls Distribution Services Ltd u/s 9 for a total claim amount of Rs.1,67,662/-. The claim is based on an agreement dated 09.03.2016 between the Operational Creditor and the Corporate Debtor wherein the Operational Creditor was appointed as a Consultant/ Broker to market the Units in the Xrbia Abode

of the Corporate Debtor. This bench notes that the brokerage agreed between the parties was 8.5% of the total sale consideration only on the Units which has been booked by the Consultant (Operational Creditor). The bench notes that Clause 10 of the agreement entered between the parties, is important which is as under.

“In the event, the booking for a particular Unit is cancelled by the customer/buyer/purchaser, the Consultant shall be entitled to receive hundred percent (100%) of the brokerage/commission due and payable by the Developer to the Consultant only if the customer/buyer/purchaser of the said Unit(s) has paid forty per cent (40%) or more than forty per cent (40%) of the Sale consideration in case of Self Funded Customers AND in case of identified Customers availing Finance Facility then the Consultant shall be entitled to receive hundred percent (100%) of the brokerage/commission due and payable by the Developer to the Consultant only if the customer/buyer/ purchaser of said Unit(s) has paid Twenty percent (20%) or more than Twenty percent (20%) of the Sale consideration. However, in the event, the customer/buyer/purchaser has paid less than Forty percent (40%) of the Sale Consideration in case of Self Funded Customers AND in case of Identified Customers Identified Customers availing Finance Facility then if customer/buyer/ purchaser has paid less than Twenty percent (20%) of the Sale consideration, then the brokerage, if any, paid for such Unit(s) shall be adjusted from the brokerage due to the Consultant on rebooking of such Unit(s) or brokerage due on any other unit in the said project of the Developer”.

11. This bench notes that as per the above clause if unit is cancelled by the prospective purchaser, the Operational Creditor shall not be entitled to any brokerage. In addition, if the purchaser does not pay the minimum of 40%, in case of Self-Funded Customer, or 20% in case of a Customer availing loan facility, then no amount will be payable as brokerage fee and any brokerage already paid shall be adjusted from the brokerage future due.

12. This bench notes that in Part-IV of the Petition the total amount claimed by the Petitioner is Rs.1,67,662/- which fell due on 30.09.2016. However, in the notices issued by the Petitioner to the Corporate Debtor on 20.12.2016 and 10.01.2017 the amount due is shown as Rs.83,832/- and as per the email dated 07.02.2017, the amount due and payable was Rs.80,186/-. This shows discrepancies/ lack of clarity on the amount of debt being claimed by the Petitioner. Be that it may, this bench notes that there are pre-existing disputes between the Petitioner and the Corporate Debtor. This bench notes that in this Petition, one invoices have been raised of Kadambari Sachin Dhotre. The Corporate Debtor has raised dispute regarding this invoice vide his email dated 01.03.2017 which has been produced as Exhibit 'A' by the Corporate Debtor in his Reply. This email has been sent by Mr. Karan Karnavat of the Corporate Debtor to Mr. S. Muzumdar of the Operational Creditor. This email contains an attachment in Microsoft Excel file under the heading 'Indiabulls CD calling data(1)'. The said files contain two sheets being Sheet No. 1 – 'Raw Data' and Sheet No. 2 – 'Summary'. The said excel file is a detailed explanation in a tabular format/excel format of all the customers who have booked units in the said project with the involvement of the Operational Creditor. This excel sheet also provides a link to the audio file of the call recordings with each customer to verify whether the bookings have been done through the Operational Creditor or not. In this excel sheet, it is clearly mentioned that Kadambari Sachin Dhotre booked the flat upon reading an advertisement in a newspaper and not through the Petitioner. In view of this, this bench is of the view that no brokerage arises in the flat booking relating to Kadambari Sachin Dhotre. It is also clear to the bench that the Corporate Debtor had raised dispute before filing of the Petition. The Corporate Debtor had clearly intimated in its email dated 01.03.2017 about

the dispute between the parties and also that no amount was payable to the Operational Creditor.

13. In view of the above, the Petition CP(IB)-4421/IBC/MB/2019 is **“dismissed”**.
14. Registry is directed to inform the Order to both the parties.

Sd/-

CHANDRA BHAN SINGH
Member (Technical)

Sd/-

H. V. SUBBA RAO
Member (Judicial)