

**NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH
COURT NO.1**

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
BENGALURU BENCH, BENGALURU, HELD ON 02.03.2020

PRIORITY CAUSE LIST – 1

PRESENT: 1. Hon'ble Member (J), Shri Rajeswara Rao Vittalala
2. Hon'ble Member (T), Shri Ashutosh Chandra

CP/CA No.	Purpose	Sec	Name of Petitioner	Petitioner Advocate	Name of Respondent	Respondent Advocate
CP(IB) No. 315/BB/2019	For hearing	Sec 9 of I&B Code 2016	M/s Manjushree Travels	R Swaroop Anand, Advocate	M/s V3 Engineers Pvt Ltd	



SWAROOP ANAND

ADVOCATE FOR PETITIONER/s:

ADVOCATE FOR RESPONDENT/s:

ORDER

Heard Shri. Swaroop Anand, learned Counsel for the Petitioner, and None appeared for the Respondent.

C.P (IB) No. 315/BB/2019 is admitted by separate order.



MEMBER (T)



MEMBER (J)

IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH

C.P. (IB) No.315/BB/2019
U/s 9 of IBC, 2016
R/w Rule 6 of I&B (AAA) Rules, 2016

Between:

M/s. Manjushree Travels
#70, 1st Main, 1st Cross,
Jai Maruthinagar,
Nandini Layout,
Bangalore- 560 096

- Petitioner/Financial Creditor

And

M/s. V3 Engineers Private Limited
#6/1, 6/2,6/5,7/1, Deganahalli,
Near Budhihal Village,
Nelamangala,
Bangalore Rural District,
Bangalore- 562 123

- Respondents/ Corporate Debtors

Date of Order: 02nd March, 2020

Coram: 1. Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)
2. Hon'ble Shri Ashutosh Chandra, Member (Technical)

Parties/Counsels Present:

For the Petitioner : Mr. Swaroop Anand
For the Respondent : None

ORDER

Per: Rajeswara Rao Vittanala, Member (J)

1. C.P (IB)No.315/BB/2019 is filed by M/s. Manjushree Travels (hereinafter referred to as 'Petitioner/Operational Creditor) U/s 9 of the IBC, 2016, R/w Rule 6 of the I&B (Application to Adjudicating Authority) Rules, 2016, by inter alia seeking to initiate Corporate Insolvency Resolution Process (CIRP) in respect of M/s. V3 Engineers



Private Limited (hereinafter referred to as Respondent/Corporate Debtor) on the ground, that it has committed default for total amount of Rs.34,00,347/- (Rupees Thirty Four Lakhs Three Hundred Forty Seven Only) towards rendering transport services as per Transport Services Agreement.

2. Brief facts of the case, as mentioned in the Company Petition, which are relevant to the issue in question, are as follows:

(1) M/s. Manjushree Travels (Petitioner/Applicant /Operational Creditor) is a Proprietorship Firm having its Registered Office situated at #70, 1st Main, 1st Cross, Jai Maruthinagar, Nandini Layout, Bangalore – 560 096.

(2) M/s. V3 Engineers Private Limited (Respondent/Corporate Debtor) was incorporated on 06.03.2000 having CIN: U74994KA2000PTC026634 and having its registered Office situated at #6/1,6/2,6/5,7/1 Deganahalli, Near Budhihal Village, Nelamangala, Bangalore Rural District, Bangalore- 562 123. Its Authorised Share Capital of Rs.10,00,00,000/- divided into 1,00,00,000 Equity Shares of Rs.10/- each and Paid-up Share Capital of Rs.9,64,86,330/- divided into 96,48,633 Equity Shares of Rs.10/- each.

(3) It is stated that both Operational Creditor and Corporate Debtor entered into Transport Service Agreement dated 01st June 2014 by which Operational Creditor agreed to provide its vehicle for transporting the employees of the Corporate Debtor between:

- a. Nelamanagala and Company's Factory at Deganahalli
- b. Bangalore and factory at Deganahalli

Both to and fro. The Agreement was effective from 1st June 2014 till 31st May 2017, and the same was further extended from 1st June 2017 to 21st May 2019 wide letter dated 01st



June 2017 issued by the Corporate Debtor and accepted by the Operational Creditor.

(4) It is stated that the Operational Creditor, after rendering requisite service raising the invoices. However, the Corporate Debtor, after receipt of invoices was reconciling the trips details and used to make payment to the Operational Creditor after deducting TDS and other deductions as per the reconciliation made by the Corporate Debtor. The Operational Creditor raised the last invoice on 13th January 2018 and provided to the Corporate Debtor for making the payment. The Operational Creditor has made several follow ups through various letters on several occasions and also through several telephonic calls. The Corporate Debtor vide its letter dated 15th June 2018 has confirmed and also assured for the payment to the Operational Creditor. The Corporate Debtor has made the payments of Rs.4,99,990/- and Rs.4,99,990/- (two times) on 12.12.2018 to Operational Creditor towards part payment. However, there is no further payment made by the Corporate Debtor. Accordingly, the Operational Creditor issue Demand Notice dated 25.07.2019, under Section 8 of the IBC, 2016 and it was served to the Corporate Debtor by hand delivery.

3. The Respondent has filed Statement of objections dated 19.02.2020 by *inter alia* contending as follows:

(1) The Corporate Debtor acknowledges the Debt payable to the Applicant, however, the Corporate Debtor does not in any manner accept the action initiated by the Applicant herein. The Corporate Debtor has a good business relationship with the Applicant for more than 5 years and was paying diligently. However at present, the Respondent has been facing various issues in running its business activities. The Corporate Debtor has been trials and tribulations due to various factors that adversely affected its functioning.



(2) It is further submitted that for the financial year 2018-19 as per the Audited Financial Statements, the Corporate Debtor had reported a drastic fall in the revenue generation and the Corporate Debtor had to sell its assets to meet its financial requirements. The following is the financial status, strength and substratum of the Company, in overall context. The Corporate Debtor has the following turnover and Balance sheet size for the previous 3 years.

F.Y	Turnover (Rs.)	P & L (Rs.)	Balance Sheet Size (Rs.)
2016-17	9,32,84,130.00	(4,26,14,793.00)	33,79,17,630.00
2017-18	6,79,68,655.00	(5,36,25,668.00)	27,17,58,307.00
2018-19	38,96,200.00	4,63,91,470.00	8,72,58,003.00

Further, the Corporate Debtor states that the Operational Creditors would not get any amount in accordance with the provisions of Section 53 if the IBC, 2016, in case the Application filed by the Applicant is admitted.

(3) It is further submitted that the Applicant/ Operational Creditor cannot misuse the provisions of the Code for recovery purposes. The Corporate Debtor is not a going concern and is not carrying on its day-to-day business activities. The Operational Creditor may not recover its debt if the CIRP is initiated against the Corporate Debtor.

4. Heard Shri. Swaroop Anand, learned Counsel for the Petitioner, and None appeared for the Respondent. We have carefully perused the pleadings of the Petitioner, and the extant provisions of the Code, the Rules made there under, and the law on the issue.
5. Shri. Swaroop Anand, learned Counsel for the Petitioner, while reiterating various averments with regard to debt and default in question, as briefly stated supra, has further submitted that Demand Notice dated 25.07.2019 was issued demanding to pay the outstanding amount but the Corporate Debtor has not responded to



the Demand Notice and also suggested a qualified Resolution Professional namely Mr. Hari Babu Thota, with Registration No. IBBI/IPA-002/IP-N00084/2017-2018/10225, who has filed his written Consent in Form 2 on 28.08.2019 by inter alia declaring that no disciplinary proceedings pending against him with the Board or ICSI Insolvency Professionals Agency.

6. As stated supra, the Debt and Default in question, are admittedly not in dispute, and the Respondent also admits the Debt and default as per counter as mentioned supra. The instant Petition is filed strictly in accordance with the extant provisions of the Code, and also suggested a qualified Resolution Professional namely Mr. Hari Babu Thota, with Registration No. IBBI/IPA-002/IP-N00084/2017-2018/10225, who has filed his written Consent in Form -2 on 28.08.2019 by inter alia declaring that no disciplinary proceedings pending against him with the Board or ICSI Insolvency Professionals Agency. Therefore he is provisionally eligible to be appointed as IRP. Hence, the Instant Company Petition is fit case to admit by initiating CIRP appointing by IRP, and declaring moratorium etc., in respect of the Corporate Debtor.
7. In view of the above facts and circumstances of the case, by exercising powers conferred on this Adjudicating Authority, under provisions of Section 9 of the Code and other extant provisions of the IBC, 2016, we hereby admitted C.P.(IB)No.315/BB/2019 by initiating Corporate Insolvency Resolution Process (CIRP) in respect **M/s. V3 Engineers Private Limited**, the Respondent/Corporate Debtor, with the following consequential directions:
 - 1) **Shri. Hari Babu Thota**, bearing **Registration No. IBBI/IPA-002/IP-N00084/2017-2018/10225**, who is qualified Resolution Professional, is hereby appointed as Interim Resolution Professional, in respect of the Respondent/Corporate Debtor namely M/s. V3 Engineers Private Limited

to carry out the CIRP as mentioned under the Insolvency and Bankruptcy Code, 2016 and various rules issued by IBBI from time to time;

- 2) The following moratorium is declared prohibiting all of the following, namely:
- a) the institution of suits or continuation of pending suits or proceedings against the Respondent/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;
 - 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;
 - e) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period;
 - f) The provisions of sub-section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator;
 - g) The order of moratorium shall have effect from the date of such order till the completion of the corporate insolvency resolution process;



- 3) The IRP is directed to follow all extant provisions of the IBC, 2016, and all extant rules including fees rules as framed by IBBI from time to time. The IRP is hereby directed to file progress reports to the Adjudicating Authority from time to time.
- 4) The Board of Directors and all the staff of Respondent/ Corporate Debtor are hereby directed to extend full co-operation to the IRP, in carrying out his functions as such, under the Code and Rules made by IBBI.
- 5) Post the case for report of IRP on **07.04.2020**.

(ASHUTOSH CHANDRA)
MEMBER, TECHNICAL

(RAJESWARA RAO VITTANALA)
MEMBER, JUDICIAL

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