

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO: II**

PHYSICAL HEARING

**CORAM: JUSTICE TELAPROLU RAJANI – HON'BLE MEMBER (J)
CORAM: SHRI CHARAN SINGH - HON'BLE MEMBER (T)**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 16.03.2023 AT 02:30 PM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA (IBC)/291/2023 in Company Petition IB/208/2021
NAME OF THE COMPANY	Ankith B Parikh & Parikh Fabrics Pvt Ltd
NAME OF THE PETITIONER(S)	State Bank of India
NAME OF THE RESPONDENT(S)	Ankith B Parikh & Parikh Fabrics Pvt Ltd
UNDER SECTION	95 of IBC

ORDER

IA(IBC)/291/2023

This application is allowed, vide separate orders.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH - II**

**IA No. 291/2023 in
CP (IB) No.208/95/HDB/2021**

Under Section 112 of I&B Code, 2016

In the matter of:

Mr. Krishna Mohan Gollamudi

....Applicant/
Resolution Professional

In the matter between:

State Bank of India,
Stressed Assets Management Branch,
Secunderabad Branch,
Prabhat Towers, Chappel Road,
Abids, Hyderabad – 500 001

....Financial Creditor

Vs

1. Mr. Ankit B Parikh,
S/o. Sri Brij Kumar Parikh,
D.No.4-3-338, R K Estate,
Bank Street, Sultan Bazar,
Hyderabad – 500 095.

....Respondent/
Personal Guarantor

2. M/s. Parikh Fabricks Pvt. Ltd.,
D.No.4-3-338, R K Estate,
Bank Street, Sultan Bazar,
Hyderabad – 500 095.

....Respondent No.2/
Corporate Debtor

Date of Order: 16.03.2023

Coram:

Hon'ble Justice Smt. Telaprolu Rajani, Member (Judicial)

Hon'ble Sri Charan Singh, Member (Technical)

Counsels present:

Resolution Professional : Mr. Krishna Mohan Gollamudi

For the Personal Guarantor : Mr. B. Nitish, Advocate

Heard on : 13.03.2023

[Per : Bench]

O R D E R

1.0 This Application is filed by the Resolution Professional u/s. Section 112 of IBC, seeking to reject the Repayment Plan submitted by the Personal Guarantor of M/s. Parikh Fabrics Pvt. Limited u/s. 114(1) of IBC, 2016 and to order for conclusion of the Individual Insolvency Resolution Process of the Personal Guarantor, leaving option of filing application for Bankruptcy under Chapter IV, to the creditors u/s. 115(2) of IBC, 2016 and to relieve the Resolution Professional from this Resolution Process.

2.0 The facts, briefly, as put forth in the application are as follows:

2.1 This bench admitted the application filed by the State Bank of India u/s. 95 of Insolvency and Bankruptcy Code, 2016 vide order dated 15.06.2022. Consequent to the same, a public announcement was made calling for claims from the creditors of the Personal Guarantor on 23.06.2022. The Resolution Professional received claims from State Bank of India and Punjab National Bank within the scheduled time. The Personal Guarantor prepared a Repayment Plan in consultation with the Resolution Professional offering to repay the loans of the

Creditors, as required u/s. 105 of the IBC, 2016. The RP prepared a report on the Repayment Plan u/s. 106 and filed before this Tribunal.

- 2.2 It is also stated by the Resolution Professional that there is a necessity of summoning a meeting of creditors to consider the Repayment Plan as required u/s. 106. As such, the Resolution Professional called the creditors meeting on 20.10.2022 as per Section 107 of IBC, 2016. Along with the notice, all the required documents such as Section 99 report, a copy of the Repayment Plan submitted by the Personal Guarantor, Report of the Resolution Professional on the Repayment Plan received and Statement of Affairs and List of Creditors were also sent to the creditors.
- 2.3 The Creditors meeting was conducted through video conference and the creditors deliberated on the Repayment Plan which offered to pay Rs.10.0 lakhs to consortium of State Bank of India & Punjab National Bank and Rs.0.50 lakhs to Dhanalaxmi Bank and requested the Personal Guarantor to improve the offer as the same was very low compared to their dues. The Personal Guarantor sought time to discuss with other Personal Guarantors and revert.
- 2.4 The meeting was adjourned to 27.10.2022 on which date, the creditors deliberated on the improved/revised Repayment Plan which offered to pay Rs.18.80 lakhs to consortium of SBI & PNB and Rs.0.20 lakhs to Dhanalaxmi Bank (reduction from earlier offer of Rs.0.50 lakhs). The creditors sought further

improvement in the offer. The Personal Guarantor submitted that it is difficult, but he would once again discuss with other Personal Guarantors who are family members and revert. Creditors informed that, in the meantime, that they would go through the improved/revised repayment plan and approach their appropriate authorities and requested for adjournment of the meeting by one more week. Hence, meeting was adjourned to 03.11.2022.

2.5 It is further submitted that on 03.11.2022, the Personal Guarantor stated that no improvement is possible. Hence, the creditors reiterated that they would examine the same and approach their appropriate authorities and requested for some more time to convey their decision on the Repayment Plan. Hence, meeting was adjourned to 10.11.2022.

2.6 Submitted that on 10.11.2022, the Personal Guarantor stated that no improvement is possible. The creditors also stated that the offer is not acceptable as it is very low. PNB requested the Personal Guarantor to improve the offer. The Personal Guarantor sought two days time to submit revised offer and therefore the meeting is adjourned to 14.11.2022.

2.7 The Resolution Professional stated that on 14.11.2022, he has received an improved offer (increased from Rs.18.80 lakhs to Rs.19.80 lakhs to consortium of SBI & PNB and Rs.0.20 lakhs to Dhanalaxmi Bank) on 12.11.2022 and that the same was shared among the creditors. PNB representative stated that during the course of their discussions with their higher authorities, the

issue as regards IIRP expenses came up. RP clarified that IIRP expenses which are approximately Rs.3.0 lakhs need to be paid before distributing to the creditors and the balance available will be distributed. PNB representative suggested that the offer be improved by that amount. RP also appraised the Creditors that the total IIRP expenses for all the three Personal Guarantors to the Corporate Debtor, who happened to be the family members comes to Rs.9.0 lakhs and per Personal Guarantor it comes to Rs.3.0 lakhs. The Personal Guarantor sought some time to examine this aspect and sought adjournment. Hence, the meeting is adjourned to 17.11.2022.

2.8 On 17.11.2022, the Personal Guarantor submitted a revised improved plan by increasing the offer by an amount of Rs.9.0 lakhs to cover the IIRP expenses in respect of all the three personal guarantors. The Personal Guarantor stated that no increase is proposed by the other two Personal Guarantors, as they don't have any source. He said that he is also making this offer by borrowing from his relatives. Since the offer has been improved as desired by them, the Creditors said that they would approach their appropriate authorities and sought adjournment of the meeting. Hence, the meeting is adjourned to 23.11.2022.

2.9 On 23.11.2022, the creditors deliberated on the offer made and stated that they need some more time to get approvals from appropriate authorities. Hence, the meeting was adjourned to 29.11.2022.

- 2.10 On 29.11.2022, the creditors sought further adjournment as approvals from higher authorities are still awaited. RP requested the creditors to obtain approvals without further loss of time as he wishes to submit the plans to the Adjudicating Authority before the end of 2nd week of December, 2022. He said that the meeting can be adjourned for a period not exceeding 7 days. Hence, the meeting is adjourned to 03.12.2022.
- 2.11 On 03.12.2022, the creditors sought further adjournment as approvals from higher authorities are still awaited. Hence, the meeting was adjourned to 09.12.2022.
- 2.12 On 09.12.2022, the Punjab National Bank (voting share – 28.17%) informed that it received the approval of their higher authorities. SBI said that they are yet to get the approval. Hence, creditors requested for putting the resolutions for e-voting. RP said that 180 days time is expiring. Creditors requested for seeking extension of time. Hence, an IA was filed seeking extension of time, which was allowed.
- 2.13 The Resolution Professional put the resolutions for e-voting. In the e-voting, Punjab National Bank rejected the plan. State Bank of India could not exercise their vote as approval from the competent authorities was not received. However, a communication was sent later on 30.01.2023 that their higher authorities rejected the Repayment Plan. Hence, the plan is rejected with 100% voting share as under:

Sl.No.	Name of the creditor	Voting for	Voting against
1	State Bank of India	0	71.83
2	Punjab National Bank	0	28.17

2.14 In the above circumstances, this application is filed, seeking for the above mentioned reliefs.

3.0 No counter is filed. Heard both the Counsel. The Counsel for the Personal Guarantor did not offer any argument opposing the application. It can be seen from the facts mentioned in the application that the Repayment Plan was not acceptable for the CoC Members, as it did not serve any purpose in discharging the debts. Section 115(2) of IBC, 2016 provides for an application to be filed when the Adjudicating Authority rejects the Repayment Plan u/s.114.

4.0 Considering the report of the Resolution Professional filed u/s. 112 and also considering that the Personal Guarantor did not raise any argument against the ordering this application, we are left with no other option except to allow this application. Hence, the application is allowed as prayed for and the creditors shall be entitled to file an application for Bankruptcy under Chapter IV consequent to the rejection of the Repayment Plan. The RP stands discharged.

5.0 Accordingly, this IA No. **291/2023** is allowed and stands disposed of.

Sd/-

**(CHARAN SINGH)
MEMBER (TECHNICAL)**

Sd/-

**(JUSTICE TELAPROLU RAJANI)
MEMBER (JUDICIAL)**