

**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)/292/2023 in Company Petition IB/209/2021
NAME OF THE COMPANY	Nikhil B Parikh & Parikh Fabrics Pvt Ltd
NAME OF THE PETITIONER(S)	State Bank of India
NAME OF THE RESPONDENT(S)	Nikhil B Parikh & Parikh Fabrics Pvt Ltd
UNDER SECTION	95 of IBC

ORDER

IA(IBC)/292/2023

This application is allowed, vide separate orders.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

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

**IA No. 292/2023 in
CP (IB) No.209/95/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. Nikhil 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.11.0 lakhs to consortium of State Bank of India & Punjab National 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. The meeting was adjourned to 27.10.2022 on which date, the Personal Guarantor informed that he has no sources to improve the offer. Other Personal Guarantors and the son of this Personal Guarantor requested the creditors that he would try to improve the offer. Hence, meeting was adjourned to 03.11.2022 and was further adjourned to 10.11.2022, 14.11.2022, 17.11.2022, 23.11.2022, 29.11.2022, 03.12.2022 and 09.12.2022. But, the offer made by the Personal Guarantor remained the same i.e. at Rs.11.0 lakhs,

though the offer from the three Personal Guarantors put together increased to Rs.45.0 lakhs.

2.4 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

2.5 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 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. **292/2023** is allowed and stands disposed of.

Sd/-

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

Sd/-

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

VL