

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**NEW DELHI**  
**BENCH-VI**

**IB-151/(ND)/2021**

Section: Under Section 10 of the Insolvency and Bankruptcy Code, 2016 and under Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority), Rules, 2016.

**In the matter of:**

**VRJ TRADERS PRIVATE LIMITED**

Having Registered Office at:  
2, Press Enclave Road, Saket,  
New Delhi- 110017

... Corporate Applicant

**Coram:**

**SH. P.S.N. PRASAD,**

**Hon'ble Member (Judicial)**

**SH. RAHUL BHATNAGAR,**

**Hon'ble Member (Technical)**

for Corporate Applicant: Mr. Vaibhav Jain and Mr. Shashank  
Pandey, Advocates

**ORDER**

**Per P.S.N. PRASAD, Member (Judicial)**

**Date: 22.12.2021**

1. This is an application filed by the Corporate Applicant, 'M/s VRJ Traders Private Limited', through its Authorized person,



Mr. Sunil Kumar Tyagi, R/o Plot No.2/8, Flat No.- 05, First Floor, Sector-9, Judge Colony, Vaishali, Ghaziabad, U.P. 201001, seeking to initiate Corporate Insolvency Resolution Process ("CIRP") under Section 10 of the Insolvency and Bankruptcy Code 2016 ("the Code") in respect of 'VRJ Traders Private Limited', the Corporate Debtor being the Corporate Applicant itself. The details of transactions leading to the filing of this application as averred by the Corporate Applicant are as follows:

- i. That the Corporate Applicant was engaged in the business of showcasing and exporting premium arts and handicrafts produce of India and for supplying authentic and unique Indian handicrafts to the world.
- ii. The Corporate Applicant submitted that after the recession period from 2008-2010, the demand for Indian handicrafts supplied by the applicant dropped. Thereafter, the depreciation of Rupee versus Dollar further led to losses being suffered by the applicant company, leading to decline in the operations of the Corporate Applicant.

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- iii. The Corporate Applicant further submitted that as per the current scenario, the financial health of the company is under severe stress and it is not in position to repay its creditors.
2. The Corporate Applicant has annexed the Minutes of the Extraordinary General meeting dated 31.12.2020 of the Members of the VRJ Traders Private Limited wherein the members of the Corporate Applicant Resolved that the company should file an application under section 10 of IBC, 2016, before the Hon'ble NCLT, Delhi.
3. In connection with filing of books of accounts the Corporate Applicant has filed the audited financial statements for the financial years ending 31.03.2019 and 31.03.2020 and a Provisional balance sheet dated 15.02.2021. the corporate Applicant has also disclosed the details of financial creditors and operational creditors.
4. It is pertinent to mention that the Tribunal vide its order dated 25.03.2021 directed the applicant to file an additional affidavit in regard to large variation in the financial figures as on 31.03.2020 as compared to 31.03.2019 in assets as well as in liabilities. The applicant, pursuant to the



abovesaid order filed an Auditor certificate dated 22.04.2021 explaining the reasons for large variations in financial figures as on 31.03.2020 as compared to 31.03.2019.

5. The Corporate Applicant has submitted the certified list of Financial Creditor and Operational Creditor, which are as follows:

S.No.	Name of Financial Creditor	Total Debt as on 31.12.2019	Date of Default	Amount in default on date of default
1	SSA Traders Private Limited	18,69,43,542	31.12.2019	2,00,00,000

S.no.	Name of Creditor	Total Debt	Date of Default	Amount in default on date of default
1.	Yogesh Sharma	15,600	14.05.2018	15,600






2.	Vandana Pankaj & Co.	1,685	04.01.2014	1,685
3.	Luthra & Luthra LLP	59,275	04.01.2012	59,275
4.	Sunil Kumar Tyagi	6,600	30.04.2006	6,600

6. This Tribunal perused the Form-6 filed by the applicant and carefully examined the petition and the submissions made by the learned counsel. This Tribunal is satisfied and is of the view that the Corporate Applicant has disclosed sufficient details as required under section 10 of IBC, 2016 Read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. The certified copy of the detailed list of financial creditors of the corporate applicant annexed with the application as A-9, the certified copy of the detailed list of operational creditors attached as A-10, the audited financial statements for the year ending 31.03.2019 and 31.03.2020 clearly establishes the fact that the Corporate Applicant as on 31.12.2019 raised total debts amounting to Rs. 18,70,26,702 and the

amount in default is Rs. 2,00,000 of financial creditor and Rs. 83,160 of operational creditors.

7. The present application has been filed in the requisite Form-6 containing the Requisite particulars in terms of subsection (2) of section 10 IBC, 2016. It is prima facie evident from the financial statements that there is a default in relation to the payment of amount due and owed by the Corporate Debtor.
8. In the light of the above said facts and after giving careful consideration to the entire matter, hearing the arguments of the learned counsel for the Corporate Applicant and upon appreciation of the documents placed on record, this Adjudicating Authority **admits** this application and **initiates CIRP** on the Corporate Debtor/Corporate Applicant with immediate effect.
9. This Adjudicating Authority, hereby appoints the proposed Interim Resolution Professional Mr. Alok Kumar Kuchhal, (Email -akkuchhal.ip@gmail.com), Reg. No: IBBI/IPA-002/IP-N00114/2017-18/10284 to act as Insolvency Resolution professional. The Proposed IRP gave his written consent in prescribed Form-2 dated 24.02.2021. He shall



take such other and further steps as are required under the statute, more specifically in terms of Section 15, 17 and 18 of the Code and file his report within 30 days before this Bench.

10. In pursuance of Section 13 (2) of the Code, we direct that public announcement shall be made by the Interim Resolution Professional, immediately (3 days as prescribed by Explanation to Regulation 6(1) of the IBBI Regulations, 2016) with regard to admission of this application under Section 9 of the Insolvency & Bankruptcy Code, 2016.

11. We also declare moratorium in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flows from the provisions of Section 14 (1) (a), (b), (c) & (d) of the Code. Thus, the following prohibitions are imposed:

*“(a) the institution of suits or continuation of pending suits or proceedings against the 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 Securitization 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.

12. It is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a license, permit, registration, quota, concession, clearances or a similar grant or right given by the Central Government, State Government Local Authority, Sectoral Regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of Insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license, permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period.

13. It is made clear that the provisions of moratorium shall not apply to transactions which might be notified by the Central Government and the supply of essential goods or services to the Corporate Debtor, as may be specified, are not to be terminated or suspended or interrupted during the moratorium period. In addition, as per the Insolvency and





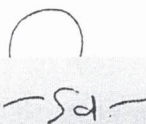
Bankruptcy Code (Amendment) Act, 2018, which has come into force w.e.f. 06.06.2018, the provisions of moratorium shall not apply to the surety in a contract of guarantee to the corporate debtor in terms of Section 14 (3) (b) of the Code.

14. The Interim Resolution Professional shall perform all his functions contemplated, inter-alia, by Sections 15, 17, 18, 19, 20 & 21 of the Code and transact proceedings with utmost dedication, honesty and strictly in accordance with the provisions of the Code, Rules and Regulations. It is further made clear that all the personnel connected with the Corporate Debtor, its promoters or any other person associated with the Management of the Corporate Debtor, are under legal obligation under Section 19 of the Code to extend every assistance and cooperation to the Interim Resolution Professional, as may be required by him, in managing the day-to-day affairs of the 'Corporate Debtor'. In case there is any violation committed by the ex-management or any tainted/illegal transaction by ex-directors or anyone else, the Interim Resolution Professional would be at liberty to make appropriate application to this

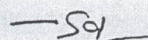


Tribunal with a prayer for passing an appropriate order. The Interim Resolution Professional shall be under duty to protect and preserve the value of the property of the 'Corporate Debtor' as a part of his obligation, imposed by Section 20 of the Code and perform all his functions strictly in accordance with the provisions of the Code, Rules and Regulations.

15. The office is directed to communicate a copy of the order to the Financial Creditor, the Corporate Debtor, the Interim Resolution Professional and the Registrar of Companies, NCT of Delhi & Haryana, at the earliest possible but not later than seven days from today. The Registrar of Companies shall update its website by updating the status of 'Corporate Debtor' and specific mention regarding admission of this petition must be notified to the public at large.



**(SH. RAHUL BHATNAGAR)**  
**MEMBER (TECHNICAL)**



**(SH. P.S.N. PRASAD)**  
**MEMBER (JUDICIAL)**

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