

**RE: GITA UNADKAT - IN BANKRUPTCY**

PROPOSAL FOR VOLUNTARY ARRANGEMENT WITH CREDITORS PURSUANT  
TO PART VIII OF THE INSOLVENCY ACT 1986

**1 Introduction**

1.1 This is the proposal of Gita Unadkat for the purposes of Part VIII of the Insolvency Act 1986 and the Insolvency Rules 1986 as amended. As appears from the summaries of assets and liabilities annexed hereto as Appendices 1 and 2 respectively and also from the estimated outcome and comparison shown as Appendix 3, it is clear that I am insolvent in that I am unable to pay my debts as and when they fall due and my liabilities, including prospective and contingent liabilities, exceed my assets.

1.2 I have been a house wife for almost 25 years. A partnership was entered into with Bupesh Shah in my name by my husband in 2008. They were operating as property dealers. The portfolio consisted of 17 different properties. All the properties were solely owned by me because it helped them to obtain mortgages. A declaration of trust was created between me and Bupesh Shah according to which 50% of any losses or profits vested in Bupesh Shah. In 2009 due to the property business crisis we started facing difficulties in our operations. Sixteen of the properties were sold by the building societies at a shortfall. One of the main reasons of losing the properties were the charging orders possessed by the banks.

My husband, Dilip Unadkat, was also a property dealer for the last fifteen years. In order to finance his business he had borrowed several loans which were guaranteed by me under influence. He had made payments to the creditors using my personal cheque book and due to insufficient funds the cheques had bounced. I was unaware that he had also used my credit cards personally that resulted in large debts. I and Dilip are now separated.

I am currently residing with my mother and I am on Income Support receiving £72 per week to fund my day to day living.

1.3 Lowell Portfolio I Ltd had filed a bankruptcy petition against me and I was adjudged bankrupt on 30 June 2014.

1.4 For the reasons set out below, I seek a voluntary arrangement which I believe will be acceptable to my creditors:

- (1) The unsecured creditors will receive greater payment with this arrangement than with bankruptcy.
- (2) I believe that a voluntary arrangement will give rise to a more orderly, quicker and more beneficial realisation of other assets.

(3) The administrative costs and charges of a voluntary arrangement are likely to be less than in a bankruptcy, as demonstrated in Appendix 3, and consequently there is likely to be a greater return to unsecured creditors.

1.5 This proposal is intended to be by way of a composition in satisfaction of my debts and nothing herein contained implies anything to the contrary.

## 2 Personal history

### ASSETS

2.1 Appendix 1 contains full particulars of my assets with an estimate of their respective values. The properties have not been formally valued by qualified chartered surveyors.

#### *The house - Caundle Manor, Oxhey Drive South, Northwood, HA6 3ET*

I was the sole owner of this property. The property was sold by the Bank of Scotland on 16 July 2014 for £2,225,000. The outstanding mortgage was £1,800,000. Charges were also secured against the property the amount of which has not been confirmed as the Bank of Scotland have not submitted the Completion Statement to me or to the Official Receiver. I anticipate an equity of £200,000 in the sale.

#### *Investment property - Flat 1, Batten House, The Drive, London, E17 3BX*

This property was purchased on 19 November 2007 for £180,000. I am the sole owner of the property.

A mortgage was secured from Mortgage Express Ltd. Current sum outstanding is £167,523.82. The property has a market value in the region of £200,000.

The property is currently tenanted at £1,000 per month and a mortgage payment of £399 is made every month. Walker Singleton has been appointed as an LPA receiver for this property and they charge 10% of the rent for their services. The excess amount is held by the LPA receiver in their client account.

I propose that the supervisor of the IVA take control of this property immediately on the approval of this proposal. He will then market the property for sale.

#### *Trust Deed with Mr. Bupesh Shah*

A partnership was entered into with Bupesh Shah in my name by my husband in 2008. There were 17 properties held in the trust. The properties were held for either resale on profit or to grant tenancies and collect rent on behalf of the Beneficiaries. It was declared that I hold the Investments in trust and Bupesh Shah as a Beneficiary in equal shares.

The business resulted in net loss of £496,725.20. According to the declaration of

trust 50% of the losses belong to Bupesh Shah giving a sum of £248,362.60. I intend to distribute the amount between the creditors. If Bupesh Shah refuses any payments then the appointed supervisor will instruct their solicitors to collect the amount on my behalf.

***74 Victor Road, Harrow, HA2 6PZ***

Out of the seventeen properties in the trust, this was the last property owned by me. It was sold by Paragon Mortgages on 22 July 2014 for £210,000. A mortgage was secured from Paragon Mortgages. Current sum outstanding was £176,846.40. Equity on the sale has not been confirmed as Paragon Mortgages have not submitted the Completion Statement. I anticipate an equity of circa £28,113 out of which my share is 50% giving an amount of circa £14,056.

***Joint property - First Floor and Second Floor Flat, 80 Craster Road, SW2 2AX***

These properties were owned by Aditi Upadhyia. There is a declaration of trust ensuring that I am a 50% beneficiary.

These properties was purchased in 2008 for £105,000. Half of the deposit amounting to £35,000 was paid by me. A mortgage was secured from Birmingham Midshires. The sum outstanding was £70,000.

The first floor flat was sold on 16 April 2013 for £262,000 and the second floor flat was sold on 23 May 2014 for £140,000. The properties were sold by Aditi Upadhyia but no surplus were paid to me. I anticipate a surplus of £322,352 out of which my share would be £161,176. The appointed supervisor will instruct their solicitors to claim against Aditi for my interests.

***Other assets***

I have no other assets that have any realisable value.

***Cash injection by third party***

There is no third party willing or able to inject cash into this arrangement.

**LIABILITIES**

2.2 My unsecured liabilities are set out in Appendix 2.

***Three Rivers District Council***

This debt is the unpaid council tax for the property Caundle Manor, Oxhey Drive South, Northwood, HA6 3ET. Newlyn Plc has been appointed as the debt collector.

***London Borough of Walthamstow***

This debt is the unpaid council tax for the property Flat 1, Batten House, The Drive, London, E17 3BX. Newlyn Plc has been appointed as the debt collector.

***Halifax Bank Plc***

This amount relates to the overdraft on the Halifax account.

***Lowell Portfolio I Limited***

These are the debts resulting from credit card use. The credit card was in my husband's possession and all the debts were incurred by him. I became aware of this debt when I was notified of the petition against me.

***HM Revenue & Customs***

This is relates to the self-assessment tax return due to HMRC up to 2011.

***Manhar Amlani***

Mr Amlani and my husband were doing business together. He had issued loans to my husband. Mr Amlani had also transferred monies in the mortgage account of my house, Caundle Manor, Oxhey Drive South, Northwood, HA6 3ET, which was under my name. A dispute arose between my husband and Mr Amlani in late 2012 and it was agreed that the amount owing to Mr Amlani is £75,000.

***V.R. Raj & Co. Limited***

My husband had borrowed a loan from the Company in order to finance his joint venture. A cheque was issued to Mr Thakar, director of the Company, from my bank account by my husband without my knowledge. The cheque had bounced back and Mr Thakar had instructed his solicitors to claim the amount. I became aware of the debt after receiving the letter from his solicitors.

***Manish Sangani***

My husband borrowed various sums from Manish Sangani for a number of years for his property ventures. I was apparently a guarantor for these loans. In addition to that he borrowed other monies to pay our mortgage arrears, school fees of our children and our household expenditures. The loan was to be repaid from the sale of the investment properties and any balance from the sale of my house Caundle Manor, Oxhey Drive South, Northwood, HA6 3ET.

***Narendra Unadkat***

I owe a sum of £55,000 to Narendra Unadka who is my husband's brother. This amount was borrowed by my husband and I guaranteed the sum.

***Mukesh Unadkat***

I owe a sum of £135,000 to Mukesh Unadkat who is my husband's brother. This amount was borrowed by my husband and I guaranteed the sum.

## *Sequence UK Ltd*

The debt of Sequence UK Ltd also relates to my husband. He used my cheque book to make a payment to the auctioneers Barnard Marcus who have appointed Sequence UK Ltd to collect the debt.

### ESTIMATED OUTCOME AND COMPARISON

- 2.3 There is shown in Appendix 3 an estimate of the likely outcome of the voluntary arrangement and a comparison with the situation as it is likely to be in bankruptcy. The principal factor in the comparison is the saving on professional fees and charges and the charges of Department for Business, Innovation & Skills.

Save as otherwise stated, all figures for assets and liabilities are estimated to the best of my knowledge, information and belief.

### **3 Nominee and supervisor**

- 3.1 The nominee under the proposal is Mansoor Mubarik, who is a Chartered Accountant and qualified to act as an insolvency practitioner in relation to this proposal and voluntary arrangement. It is proposed that, for the purposes of the Act and Rules, Mansoor Mubarik should be the sole supervisor.
- 3.2 If appointed supervisor, he will exercise the functions set out in the Act and Rules and as set out in this proposal. He will act as supervisor and not trustee. No assets will vest in Mansoor Mubarik. No liability will fall upon him and they will not enter into any contract or other arrangement in a position so as to incur any personal liability.

### **4 General conditions**

#### *Secured creditors*

- 4.1 It is not proposed that anything in this proposal should affect the rights of any secured creditor to enforce its security.

#### *Preferential creditors*

- 4.2 Any preferential debt will be paid in priority to all unsecured liabilities. Preferential debts will be calculated in accordance with the provisions of the Act and Rules.

#### *Voidable transactions*

- 4.3 So far as I am aware, no claim could arise under the following provisions of the Act:
- s 339 (Transactions at an undervalue)
  - s 340 (Preferences)
  - s 343 (Extortionate credit transactions).

#### *Guarantees*

- 4.4 No guarantees have been given in respect of any of my liabilities by any person.

### *Duration*

- 4.5 It is proposed that the voluntary arrangement should last for up to 1 year from the date of the creditor's meeting. In the event if the IVA is not concluded in the time period suggested, then Supervisor will have authority to extend the duration for up to 5 years from the date of the creditors' meeting. In that period of time it is anticipated that the supervisor will have been able to realise all assets, agree all claims and make a final distribution. On the agreement of claims and final realisation of assets there to be a final distribution when my IVA should come to an end.

### *Proposed dates of distributions*

- 4.6 It is proposed that there will be a single distribution to creditors within the time specified above as soon as all assets have been realised and the liabilities quantified. The IVA should come to an end on final distribution.

*How it is proposed to deal with the claim of any person who is bound by the arrangement by virtue of s 260 (2) (b) (ii).*

### 4.7

- (1) If at the time the claim is notified to the supervisor the arrangement is still in force and the supervisor is holding sufficient funds to make a distribution or dividend to such creditor or creditors, then the supervisor will, subject to agreement of the claim, forthwith pay to the creditor a dividend or distribution of an amount which is on the same basis as the dividends and distributions already paid. Such payments will be made before any further payments to any other creditors and will be paid so as to bring about an equalisation in dividends or distributions between creditors who fall within s 260(b)(i) on the one hand and s 260(b)(ii) on the other hand.
- (2) If the claims are notified to the supervisor at a time when he is holding no funds available for distribution then as and when any funds are received the supervisor will subject to agreement of the claim, out of such funds, first make such payment to such creditors so as to bring about an equalisation as aforesaid.
- (3) The notification to the supervisor of any such claim or claims shall not constitute an act of default unless the failure to give notice to such creditor was a deliberate act on the part of the debtor.
- (4) Unless the proposal otherwise provides there shall be no obligation upon the debtor to pay to the supervisor any further sums of money or make any further assets available (other than already provided for in the proposal) so as to meet the claims falling to be dealt with under this Rule unless the proposal as agreed provides for a minimum dividend to be paid to creditors.
- (5) On receipt of any such claim the supervisor will notify all creditors bound of such receipt, the name of the creditor, the amount claimed, and will provide such other information as may be relevant including particulars as to the debtor's explanation why the creditor was not given notice, and also the impact which such claim is likely to have on the outcome of the arrangement. Such notification may, if the supervisor considers it appropriate, be included in the Annual Report to creditors given pursuant to Rule 5.31 provided that such

report is due to be circulated within a period of 3 months from the date on which the claim is notified.

- (6) If the claim is notified to the supervisor after the date on which the arrangement ceases to have effect, then the creditor shall be entitled to rely upon s 260(2A) of the Act and shall be entitled to recover from the debtor such sum as the creditor would have received had the claim been notified to the supervisor prior to the date on which the arrangement ceased to have effect and the supervisor had been able to include the claim in the arrangement for the purpose of payment of dividends or distributions. The supervisor shall be under no obligation to agree any such claim or take any action in respect thereof other than to furnish the creditor who relies on s 260 (2A) with a certificate as to the dividend or distribution the creditor would have received had the claim been included in the arrangement for dividend or distribution purposes and on the assumption that the claim would have been agreed in the sum claimed.

*Fees to nominee*

- 4.8 The nominee will be entitled to a fee of £10,000 and from such fee the nominee will discharge all legal costs relating to the application of the interim order and other ancillary legal work.

*Supervisor's remuneration*

- 4.9 It is proposed that the supervisor should be remunerated on the basis of work undertaken and time spent. It is estimated that his fees will be charged on a time costs basis. In addition, the supervisor will be entitled to retain out of the general funds of the arrangement such sums as may be necessary to defray his reasonable expenses and any costs incurred by him by virtue of the employment of any solicitor or other agent.

*Guarantees to be offered*

- 4.10 No guarantees are to be offered by any other person and no security is to be given or sought.

*Funds*

- 4.11 All funds shall be held by the supervisor who shall open such account as he may consider necessary with a United Kingdom bank in his name as supervisor of the arrangement. The supervisor will pay into such account all funds received or realised by him under the terms of the arrangement. Any funds held by the supervisor which in his opinion is not required for the immediate purposes of the arrangement may be placed by him on deposit with any recognised bank in the United Kingdom or invested in short dated United Kingdom government securities.

*Further credit facilities*

- 4.12 None are proposed.

*Functions to be undertaken by the supervisor*

4.13 In his supervisory capacity, the supervisor will oversee my realisation of assets and will directly agree all liabilities. The supervisor will have complete control of realisations. I will co-operate as fully as possible with him in order that the best possible value may be achieved.

*European Regulation*

4.14 The European Communities Regulation will apply. The proceedings are main proceedings. My centre of main interest has been at England.

*Quantification of assets and liabilities*

4.15 If any asset is realised for a sum less than that proposed in this proposal and the appendices thereto or if any liabilities shall exceed the estimated figure then that shall not constitute a default within the meaning of s 276 of the Act and shall not entitle any creditor to seek relief from the court either by way of bankruptcy proceedings or otherwise.

*Conditions*

4.16 This proposal incorporates the Standard Conditions annexed hereto as Appendix 4.

  
GITA UNADKAT

Dated:

5th September 2014

## APPENDIX 1

**GITA UNADKAT**  
**Proposed Individual Voluntary Arrangement**  
**Present Financial Position**

	Book Value	Estimated To Realise
	£	£
<b>ASSETS</b>		
Property 1 - Caundle Manor, Oxhey Drive South, Northwood, HA6 3ET	2,250,000.00	
Less: Mortgage - Bank of Scotland	(1,800,000.00)	
Estimated Charges	<u>(250,000.00)</u>	
		200,000.00
Property 2 - Flat 1, Batten House, The Drive, London, E17 3BX	200,000.00	
Less: Mortgage - Mortgage Express	(167,523.82)	
Selling Costs	<u>(4,800.00)</u>	
		27,676.18
Property 3 - 74 Victor Road, Harrow, HA2 6PZ	210,000.00	
Less: Mortgage - Paragon Mortgages	(176,846.40)	
Selling Costs	<u>(5,040.00)</u>	
	<u>28,113.60</u>	
50% share of Gita Unadkat		14,056.80
Property 4 - 80 Carster Road, SW2 2AX (Jointly Owned)	402,000.00	
Less: Mortgage - Birmingham Midshires	(70,000.00)	
Selling Costs	<u>(9,648.00)</u>	
	<u>322,352.00</u>	
50% share of Gita Unadkat		<u>161,176.00</u>
Total Equity		402,908.98
<b>OTHER ASSETS</b>		
Claim against Bupesh Shah		248,362.60
Cash at Bank		800.00
<b>TOTAL ASSETS AVAILABLE</b>		<u>652,071.58</u>
<b>LIABILITIES</b>		
Unsecured Creditors		717,931.74
Estimated Deficiency as regards creditors		<u>(65,860.16)</u>

I, Gita Unadkat, confirm that the figures listed in this appendix are true to the best of my information and understanding.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_




## GITA UNADKAT - PROPOSED IVA

Sr No.	Creditor Name	Reference	Amount
			£
1	Three Rivers District Council	Three Rivers House, Northway, Rickmansworth, Herts WD3 1RL	3,300.00
2	Halifax Plc c/o CapQuest Debt Recovery Limited	Agency Reference: 0110630423 Account No. 31041713079	1,312.00
3	Manhar Amlani	15 Russel Road, Moor Park, HA6 3AU	75,000.00
4	Lowell Portfolio Limited	95310017	11,757.08
5	London Borough of Walthamstow c/o Newlyn Plc	Batchworth Place, Church Street, Rickmansworth, Herts., WD3 1JE	972.66
6	Narinder Unadkat	65 Anvey Road, Harrow, HA1 3UH	55,000.00
7	Mukesh Unadkat	30 Aftons Road, Moor Park, Middlesex, HA6 2LD	135,000.00
8	Manish Sangani	79 Wellesley road, Edgware, TS4 2DQ	365,000.00
9	Sequence UK	Cumbria House 16-20 Hockliffe Street Leighton Buzzard, Bedfordshire LU7 1GN	35,590.00
10	HMRC		5,000.00
11	V.R. Raj & Co. Limited	Huntwyck House, Red Hill, Denham, Uxbridge, UB9 4LE	30,000.00
	<b>Total of Unsecured Creditors</b>		<b>717,931.74</b>
	<b>Secured Creditors</b>		
1	Secured creditor - Caundle Manor	QAR001	2,050,000.00
2	Secured creditor - Flat 1, Batten House	H143/redemptions/RE01A	167,523.82
3	Secured creditor - 74 Victor Road	HLD/CS/4605955	176,846.40
4	Secured creditor - 80 Carter Road 50% share		35,000.00
	<b>Total of Secured Creditors</b>		<b>2,429,370.22</b>
	<b>Total creditors</b>		<b>3,147,301.96</b>

I, Gita Unadkat, confirm that the figures listed in this appendix are true to the best of my information and understanding.

Signed:



Date:

5th September 2014

GITA UNADKAT - PROPOSED IVA  
Estimated Outcome Statement Comparing Bankruptcy to IVA

	Bankruptcy		IVA	
	Market Value £	Estimated to Realise £	Market Value £	Estimated to Realise £
<b>PROPERTY</b>				
Property 1 - Caundle Manor, Oxhey Drive South, Northwood, HA6 3ET	2,250,000.00		2,250,000.00	
Less: Mortgage - Bank of Scotland	(1,800,000.00)		(1,800,000.00)	
Estimated Charges	(250,000.00)		(250,000.00)	
		200,000.00		200,000.00
Property 2 - Flat 1, Batten House, The Drive, London, E17 3BX	200,000.00		200,000.00	
Less: Mortgage - Mortgage Express	(167,523.82)		(167,523.82)	
Selling Costs	(4,800.00)		(4,800.00)	
		27,676.18		27,676.18
Property 3 - 74 Victor Road, Harrow, HA2 6PZ	210,000.00		210,000.00	
Less: Mortgage - Paragon Mortgages	(176,846.40)		(176,846.40)	
Selling Costs	(5,040.00)		(5,040.00)	
				28,113.60
50% share of Gita Unadkat		14,056.80		14,056.80
Property 4 - 80 Carter Road, SW2 2AX (Jointly Owned)	402,000.00		402,000.00	
Less: Mortgage - Birmingham Midlands	(70,000.00)		(70,000.00)	
Selling Costs	(9,648.00)		(9,648.00)	
				322,352.00
50% share of Gita Unadkat		161,176.00		161,176.00
Total Equity		402,908.98		402,908.98
<b>OTHER ASSETS</b>				
Claim against Bupesh Shah		248,362.60		248,362.60
<b>TOTAL ASSETS AVAILABLE</b>		<b>651,271.58</b>		<b>651,271.58</b>
Total Voluntary Contributions		-		-
Total Contributions		-		-
		<b>651,271.58</b>		<b>651,271.58</b>
<b>COST OF REALISATION</b>				
Positioning Creditors Costs	1,030.00		-	
Official Receivers Costs	1,850.00		-	
Secretary of State Fees	99,735.74		-	
Bonding	1,800.00		1,800.00	
Trustee Fees	70,000.00		-	
Legal Costs	15,000.00		15,000.00	
Nominee Fees	-		10,000.00	
Supervisor Fees	-		25,000.00	
Disbursements - Advertisements	200.00		200.00	
<b>TOTAL COSTS</b>		<b>189,615.74</b>		<b>52,000.00</b>
<b>AVAILABLE TO CREDITORS</b>		<b>461,655.84</b>		<b>599,271.58</b>
Ordinary Creditors		717,931.74		717,931.74
<b>ESTIMATED DEFICIENCY REGARDS UNSECURED CREDITORS</b>		<b>(256,275.90)</b>		<b>(118,660.16)</b>
<b>ESTIMATED DIVIDEND - PENCE IN THE £</b>		<b>64.30</b>		<b>83.47</b>

I, Gita Unadkat, confirm that the figures listed in this appendix are true to the best of my information and

*understanding*

Signed:

Date:

*Gita Unadkat*  
5th September 2014