

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOCHI BENCH

CP (IBC)/8/KOB/2025

(Under Section 7 of IBC, 2016, read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

In the matter of:

M/s. Peejay Agro Foods Private Limited

MEMO OF PARTIES:

M/s. State Bank of India

Stressed Assets Management Branch (SAMB)
1112, Raja Plaza Avinashi Road Coimbatore
641037

...Petitioner/Financial Creditor

-Vs-

M/s. Peejay Agro Foods Private Limited

New Building, Ayyappankavu Road, Karayur,
Kottapadi P.O., Guruvayur Thrissur-680505,
CIN: U15300KL2013PTC033879

...Respondent/Corporate Debtor

Order delivered on:28.05.2025

Coram:

Shri. Man Mohan Gupta

Shri. Vinay Goel

Hon'ble Member (Technical)

Hon'ble Member (Judicial)



Appearances:

For the Petitioner : Mr. Vinod P V, Advocate.
For the Respondent : None appeared (*Ex parte*)

ORDER

Per Coram

1. The present petition has been filed by the State Bank of India on 26.02.2025 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred as 'the Code'), r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating the Corporate Insolvency Resolution Process, declaring moratorium and for appointment of Interim Resolution Professional, against the Corporate Debtor viz. M/s Peejay Agro Foods Private Limited.
2. The total amount claimed to be in default as per Part-IV of the petition is Rs. 23,30,23,556/- (Rupees Twenty-Three Crore Thirty Lakhs Twenty-Three Thousand Five Hundred Fifty-Six only) as on 25.02.2025.
3. The Corporate Debtor was incorporated on 17.04.2013, having CIN: U15300KL2013PTC033879, under the Companies Act, 1956. The registered address of the Corporate Debtor is at New Building, Ayyappankavu Road, Karayur, Kottapadi P.O., Guruvayur Thrissur, Kerala, 680505. Therefore, this Bench has jurisdiction to deal with this petition.
4. The Petitioner issued a notice to the Corporate Debtor by post on 17.04.2025. In addition, the Registry issued notices to the Corporate



Debtor via registered mail on 17.04.2025 and 24.04.2025. Under the directions of this Tribunal vide order dated 24.04.2025, the Petitioner visited the registered office of the Corporate Debtor. However, the premises were found to be in possession of the State Bank of India. Accordingly, the notice was affixed at the registered office. The Petitioner also made efforts to serve notice to the Managing Director of the Corporate Debtor personally. On 03.05.2025, a copy of the Petition was delivered at the residential address of the Managing Director and was received by his wife on his behalf. The Petitioner has filed proof of service in support thereof. So, having adopted such a process, this Adjudicating Authority is satisfied that to observe principles of natural justice, due notice has been served upon the Corporate Debtor through its Managing Director.

5. Despite giving many opportunities to the Corporate Debtor to appear, none appeared on behalf of the Corporate Debtor in any of the hearings, and the Corporate Debtor was set *ex parte* on 08.05.2025.

6. Facts of the Case and Submissions made by Ld. Counsel for the Applicant

- i. The Directors of the Corporate Debtors were the partners of a partnership firm, namely Peejay Agro Foods, which had been availing credit facilities from the erstwhile State Bank of Travancore since the year 2010. In 2015, the Corporate Debtor independently approached the State Bank of Travancore for various credit facilities. Over time, the loans previously extended to the partnership firm were fully repaid. Thereafter, credit facilities were availed in the name of the Corporate Debtor, and all



securities created in connection with those facilities were continued and mortgaged in favor of the Financial Creditor to secure the borrowings of the Corporate Debtor.

- ii. The Corporate Debtor committed default in the repayment of the credit facilities, leading to the loan accounts becoming irregular. As per the guidelines issued by the Reserve Bank of India, the accounts were classified as Non-Performing Assets on 30.03.2021. Pursuant to this, the Petitioner issued a demand notice under Section 13(2) of the SARFAESI Act on 21.06.2021, calling upon the Corporate Debtor to pay the then outstanding dues of Rs. 13,15,18,188/- within sixty days. However, as no payment was made by the Corporate Debtor, a possession notice under Section 13(4) was subsequently issued on 20.11.2021.
- iii. Thereafter, on 25.11.2022, the Applicant filed an Original Application, bearing O.A. No. 798 of 2022, before the Debt Recovery Tribunal seeking recovery of Rs. 15,89,61,972.62 as on 13.10.2022. As of 25.02.2025, a total amount of Rs. 23,30,23,556/- remains outstanding from the Corporate Debtor under various loan accounts.
- iv. Despite repeated opportunities, the Corporate Debtor has failed to repay its debts, prompting the Applicant to file the present application under Section 7 of the Code, for initiation of the Corporate Insolvency Resolution Process. The outstanding amount exceeds the threshold of Rs. 1 Crore prescribed for such applications under the Code.



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- v. The present application has been filed within the statutory period of limitation. The cause of action arose on 30.03.2021 when the account was classified as a Non-Performing Asset. A demand notice under Section 13(2) of the SARFAESI Act was issued on 21.06.2021, which was objected to by the Corporate Debtor on 02.07.2021. The Applicant responded by denying the objections through a detailed reply dated 20.07.2021. Possession of the secured assets was taken on 20.11.2021.
- vi. The Corporate Debtor also challenged the auction proceedings by filing S.A. No. 363 of 2021 before the Debt Recovery Tribunal. Notably, on 19.01.2023, both the Corporate Debtor and its guarantors filed an affidavit before the Debt Recovery Tribunal admitting that the dues owed to the Petitioner amounted to Rs. 15,89,61,972.62.
- vii. The Hon'ble Supreme Court, by its orders, excluded the period from 15.03.2020 to 28.02.2022 from the limitation period due to the COVID-19 pandemic. As such, the Petitioner is entitled to an exclusion of 336 days from the computation of the limitation period. Therefore, the limitation period for filing the petition expires on 28.02.2025. Additionally, considering the acknowledgment of debt made by the Corporate Debtor and guarantors on 19.01.2023, the limitation period is further extended until 19.01.2026. Hence, the present application is well within the period of limitation and is in full compliance with Section 238A of the Code.



7. The Financial Creditor has primarily relied upon the following documents:

- i. Term Loan Agreements dated 07.03.2015 granted term loans of Rs. 216 Lakhs and Rs. 224 Lakhs from SBT Guruvayoor Branch annexed as Annexure A/6 & A/7.
- ii. Agreement for loan dated 30.03.2016 annexed as Annexure A/9
- iii. Supplementary Agreement dated 05.09.2016 annexed as Annexure A/12
- iv. Term Loan Agreements dated 07.09.2016, annexed as Annexure A/14.
- v. Letter of Arrangement dated 02.11.2017, annexed as Annexure A/16.
- vi. Agreement for Loan cum hypothecation dated 02.11.2017 annexed as Annexure A/17.
- vii. Letter of Arrangement dated 04.06.2018 annexed as Annexure A/19
- viii. Supplementary Agreement for Loan cum hypothecation dated 05.06.2018 annexed as Annexure A/20.
- ix. Letter of Arrangement dated 25.06.2018 annexed as Annexure A/22.
- x. Supplementary Agreement for Loan cum hypothecation dated 28.06.2018 annexed as Annexure A/23.
- xi. Letter of Arrangement dated 31.10.2018 annexed as Annexure A/25.
- xii. Supplementary Agreement for Loan cum hypothecation dated 01.11.2018 annexed as Annexure A/26.
- xiii. Letter of Arrangement dated 12.05.2020 annexed as Annexure A/28.
- xiv. Supplementary Agreement for Loan cum hypothecation dated 18.05.2020 annexed as Annexure A/29.
- xv. Letter of Arrangement dated 26.05.2020 annexed as Annexure A/31.
- xvi. Supplementary Agreement for Loan cum hypothecation dated 11.08.2020 annexed as Annexure A/32.
- xvii. Letter of Arrangement dated 21.01.2021 annexed as Annexure A/34.



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- xviii. Supplementary Agreement for Loan cum hypothecation dated 21.01.2021 annexed as Annexure A/35.
- xix. Revival Letter dated 21.01.2021 issued by the Corporate Debtor. Letter of Confirmation annexed as Annexure A/37
8. We have heard the Learned Counsel for the Petitioner and perused the documents on record.
9. The issues that need to be determined are:
- (a) Whether the Petition is barred by limitation or not
 - (b) Whether the Petitioner has proven the existence of "Financial Debt."
 - (c) Whether the Petitioner has complied with all the requirements under Section 7 of the Code.
10. It is evident from Part IV of the Petition and the NeSL Record of Default that the Corporate Debtor defaulted in the repayment of the loan, and the accounts were classified as Non-Performing Assets on 30.03.2021. It is noted that Section 10A of the Code does not apply in this case, as the default occurred after the period covered by Section 10A, which is from 25.03.2020 to 24.03.2021.
11. It is important to consider the issue of limitation in light of the orders passed by the **Hon'ble Supreme Court of India** in ***Suo Moto WP (Civil) No. 3 of 2022***, regarding the extension of limitation, as well as in the case of ***M/s Azim Co. Limited v. M/s Aptech Limited (2024 INSC 155)*** dated 01.03.2024. The Apex Court ruled that the period from 15.03.2020 to 28.02.2022 should be excluded while calculating the limitation period.
12. In view of the aforesaid judgment, the Petitioner is entitled to an exclusion of 336 days while computing the period of limitation. As a result, the



original three-year limitation period, which would have otherwise expired earlier, is effectively extended to 28.02.2025. On the other hand, considering the acknowledgment of debt by the Corporate Debtor and the Guarantors before the Debt Recovery Tribunal on 19.01.2023, a fresh period of limitation commenced under Section 18 of the Limitation Act, 1963. Consequently, the limitation period is further extended and now expires on 19.01.2026. Accordingly, the present application is filed well within the prescribed period of limitation.

13. As per the Code, the definition of Financial Creditor under Section 5 (7) means any person to whom a Financial Debt is owed and includes a person to whom such debt has been legally assigned or transferred to; thereby, the Petitioner herein is a Financial Creditor. From records produced before us, it is evident that there exists a 'Debt' between the parties and the said debt qualifies to be a 'Financial Debt' as defined under 5(8) of the Code. Also, the Corporate Debtor has defaulted in repayment of the said 'Financial Debt', which is due and payable to the Financial Creditor.

14. It is relevant to note that the Hon'ble Supreme Court of India in the case of ***Innoventive Industries Ltd. v. ICICI Bank, (2018) 1 SCC 407***, has laid down the guiding principles to admit or reject an application filed under Section 7 of the Code. In the above case, the Hon'ble Supreme Court has held that;

"28. When it comes to a financial creditor triggering the process, Section 7 becomes relevant. Under the Explanation to Section 7(1), a default is in respect of a financial debt owed to any financial creditor of the corporate debtor — it need not be a debt owed to the applicant financial creditor. Under Section 7(2), an application is to be made under sub-section (1) in such form and manner as is



prescribed, which takes us to the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Under Rule 4, the Application is made by a financial creditor in Form 1 accompanied by documents and records required therein. Form 1 is a detailed form in 5 parts, which requires particulars of the applicant in Part I, particulars of the corporate debtor in Part II, particulars of the proposed interim resolution professional in CP (IB) 22/KOB/2022 Page 8 of 15 Part III, particulars of the financial debt in Part IV and documents, records and evidence of default in Part V. Under Rule 4(3), the applicant is to dispatch a copy of the Application filed with the adjudicating authority by registered post or speed post to the registered office of the corporate debtor. The speed, within which the adjudicating authority is to ascertain the existence of a default from the records of the information utility or on the basis of evidence furnished by the financial Creditor, is important. This it must do within 14 days of the receipt of the Application. It is at the stage of Section 7(5), where the adjudicating authority is to be satisfied that a default has occurred, that the corporate debtor is entitled to point out that a default has not occurred in the sense that the "debt", which may also include a disputed claim, is not due. A debt may not be due if it is not payable in law or in fact. The moment the adjudicating authority is satisfied that a default has occurred, the Application must be admitted unless it is incomplete, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority. Under sub-section (7), the adjudicating authority shall then communicate the order passed to the financial Creditor and corporate debtor within 7 days of admission or rejection of such Application, as the case may be.



30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial Creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is "due" i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise."

15. A reading of the above order makes it clear that to admit the Petition filed under Section 7 of the Code, the Adjudicating Authority is to be satisfied that there was a debt and a default has occurred. The Petitioner has produced the NeSL Certificate of Default dated 06.05.2025 as a memo filed on 07.05.2025. The amount in default exceeds the minimum threshold of Rs. 1 Crore as per Section 4 of the Code.

16. Upon the existence of the above debt and commission of default, in the proceedings initiated under Section 7 of the Code, this Tribunal has left with no other option but to admit the petition, as this petition is otherwise found to be in order and complete.

17. In light of the above facts and circumstances, it is hereby ordered as follows: -

- i. The Petition bearing **CP(IBC)/8/KOB/2025** filed by State Bank of India, the Petitioner/Financial Creditor, under section 7 of the Code read with Rule 4(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating Corporate Insolvency Resolution Process against



Peejay Agro Foods Private Limited, the Respondent/
Corporate Debtor, is hereby **admitted**.

- ii. There will be a moratorium under section 14 of the Code.
- iii. The moratorium shall have effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until the Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of Code or passes an order for liquidation of Corporate Debtor under Section 33 of the Code, as the case may be.
- iv. Public announcement of the Corporate Insolvency Resolution Process shall be made immediately as specified under Section 13 of the Code, read with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations 2016.
- v. The Financial Creditor has proposed the name of one **Mr. P. Raghavendran, having Registration No. IBBI/IPA-001/IP-P00211/2017-2018/10411**, as Interim Resolution Professional, and he had filed his written communication in the format prescribed under Form 2 of the Insolvency and Bankruptcy Board of India (Application to Adjudicating Authority) Rules, 2016. There is a declaration made by him that no disciplinary proceedings are pending against him with the Board or the Indian Institute of Insolvency Professionals of the Institute of Chartered Accountants of India. Mr. P. Raghavendran has made all necessary disclosures by the requirements of the IBBI Regulations. Accordingly, he satisfies



the requirement of Section 7(3)(b) of the Code. Hence, we appoint **Mr. P. Raghavendran** as the Interim Resolution Professional of the Respondent/Corporate Debtor.

- vi. The Interim Resolution Professional shall carry out his functions as contemplated by Sections 15 to 21 of the Code.
- vii. During the Corporate Insolvency Resolution Process period, the management of the affairs of the Corporate Debtor shall vest with the Interim Resolution Professional or, as the case may be, the Resolution Professional in terms of section 17 of the Code. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish all information within their knowledge to the Interim Resolution Professional within one week from the date of receipt of this order, in default of which coercive steps will follow.
- viii. The Interim Resolution Professional/ Resolution Professional shall submit to this Adjudicating Authority periodical reports concerning the progress of the Corporate Insolvency Resolution Process in respect of the Corporate Debtor.
- ix. The Petitioner/ Financial Creditor shall deposit a sum of Rs. 2,00,000/- (Rupees Two Lakhs only) with the Interim Resolution Professional to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to the approval of the Committee of Creditors.
- x. In terms of Section 7 (7) of the Code, the Registry is hereby directed to communicate a copy of this Order to the Financial Creditor, the Corporate Debtor and Interim Resolution



IN THE NATIONAL COMPANY LAW TRIBUNAL
KOCHI BENCH

CP(IBC)/8/KOB/2025

In re State Bank of India v. Peejay Agro Foods Private Limited

- Professional by Speed Post & e-mail immediately, and in any case, not later than two days from the date of this order.
- xi. The Financial Creditor shall serve a copy of this Order on the Interim Resolution Professional and the Registrar of Companies, Kerala, by all available means for updating the Master Data of the Corporate Debtor. The Registrar of Companies shall send a compliance report in this regard to the Registry of this Tribunal within seven days from the date of receipt of a copy of this order.
- xii. The Registry is further directed to send a copy of this order to the Insolvency and Bankruptcy Board of India for their record.
18. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Learned Counsel for information and for taking necessary steps.
19. Let the Certified Copy of this order be issued, if applied for, upon compliance with all requisite formalities.
20. File be consigned to records.

Sd/-

MAN MOHAN GUPTA

(MEMBER TECHNICAL)

Sd/-

VINAY GOEL

(MEMBER JUDICIAL)

Signed on this the 28th day of May, 2025.

Adarsh M Nair/LRA



Certified to be True Copy-

Deputy Registrar

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*National Company Law Tribunal
Kochi Bench*