



NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH COURT VI

Item No. P 2.

C.P. (IB)/175(MB)2025

CORAM

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **28.04.2025**

NAME OF THE PARTIES: **Bank of Maharashtra**

Vs

Sawant Logistic Services Private Limited

Under Section 7 of the IBC.

ORDER

The case is fixed for pronouncement of the order. The order is pronounced in the open court, *vide* separate order. In the result, the above C.P. (IB)/175(MB)2025 is admitted. Detailed order is being uploaded on the NCLT portal today.

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)

//Vani//

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)



IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH-VI

CP (IB) No.175/MB/2025

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

IN THE MATTER OF:

BANK OF MAHARASHTRA

Head Office: Lokmangal, 1501

Shivajinagar

Pune - 41100, Maharashtra.

Asset Recovery Branch: Chhatrapati Sambhajnagar

Zonal Office, C-3, Maha Bank Bhavan,

Town Centre, N-I, CIDCO

Chh. Sambhajnagar-431001, Maharashtra.

...Financial Creditor

Vs.

SAWANT LOGISTIC SERVICES PRIVATE LIMITED

[CIN: U60230PN2008PTC131228]

40/A, Main Gate, Bhajipala Market Yard

Ahmednagar - 414001, Maharashtra.

...Corporate Debtor

Pronounced: 28.04.2025

CORAM:

HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)

HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)

Appearances: Hybrid

Financial Creditor: Adv. Mr. Manoj Kumar Mishra

Corporate Debtor: None present



ORDER

[PER: CORAM]

1. BACKGROUND

- 1.1 This is an Application bearing C.P. (IB) No.175/MB/2025 filed on 10.09.2024 by Bank of Maharashtra, the Applicant (Financial Creditor) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “the Code”) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as “the AAA Rules”) through Mr. Anup Kumar Singh, Authorised Officer and Chief Manager (ARC) for initiating Corporate Insolvency Resolution Process (hereinafter referred to as “CIRP”) in respect of Sawant Logistic Services Private Limited, the Corporate Debtor.
- 1.2 The Applicant had granted Cash Credit limit of Rs.2.00 Crore (Enhancement from earlier limit of Rs. 1.00 Crores) to the Corporate Debtor *vide* Sanction Letter dated 28.12.2012.
- 1.3 The total amount claimed to be in default against the Corporate Debtor as per Part-IV of the Application is Rs.4,05,55,441.53/- (Four Crore Five Lakh Fifty-Five Thousand Four Hundred and Forty-One Rupees and Fifty-Three Paise) inclusive of principal amount, interest and penal interest as on 17.08.2024 and the date of default mentioned is 90 days prior to NPA classification i.e. on 08.02.2018 (Account slipped into NPA on 09.05.2018). The Corporate Debtor having failed to repay the outstanding dues owed to the Applicant, the latter has filed the present Application seeking initiation of CIRP in respect of the former under Section 7 of the Code.



1.4 At the request of the Applicant, this Tribunal *vide* order dated 11.03.2025 had directed the Applicant to carry out paper publication. The same was complied with by the Applicant by making the publication in two widely circulated newspapers i.e. in “Indian Express” and another in “Loksatta” as the Corporate Debtor’s registered address is in Ahmednagar, which is noted in the order dated 03.04.2025. In spite of the notice, none appeared on behalf of the Corporate Debtor nor there was any reply from the Corporate Debtor and therefore the right of the Corporate Debtor to file reply was closed on 03.04.2025. This Tribunal *vide* order dated 08.04.2025 set the Corporate Debtor *ex-parte* and on the said date, the Ld. Counsel for the Applicant was heard and the order was reserved.

2. AVERMENTS OF FINANCIAL CREDITOR

- 2.1 The Applicant had sanctioned Cash Credit limit of Rs. 2.00 Crores (Enhancement from earlier limit of Rs. 1.00 Crores) *vide* Sanction Letter dated 28.12.2012 to the Corporate Debtor.
- 2.2 The Corporate Debtor defaulted in payment of the outstanding amount on 08.02.2018 and consequently after 90 days, the account slipped into NPA on 09.05.2018.
- 2.3 The Corporate Debtor had defaulted in payment of its dues. Therefore, the Applicant issued a Demand Notice dated 07.06.2018 under Section 13(2) of the SARFAESI Act, 2002, whereby the Corporate Debtor was called upon to repay the outstanding dues owed to the Applicant within 60 days from receipt of the notice, however the Corporate Debtor neglected to respond to the said Notice, or to clear the outstanding amount.



- 2.4 The Applicant filed OA/528/2020 against the Corporate Debtor on 19.08.2020 under Section 19 of the Recovery of Debts and Bankruptcy Act, 1993, which is pending before the Hon'ble Debts Recovery Tribunal, Aurangabad.
- 2.5 The Applicant declared that the Application falls within the limitation period as the Corporate Debtor had provided numerous acknowledgements from time to time. The following is the table showing the liability acknowledgment by the Corporate Debtor in its financial statements:

Financial Year (FY)	Acknowledgement date/ date of Signing of Balance Sheet by the Directors/Auditors	Extension of Limitation from:
2018-19	26.09.2019	26.09.2019 to 25.09.2022
2020-21	08.11.2021	08.11.2021 to 07.11.2024
2021-22	09.09.2022	09.09.2022 to 08.09.2025
2022-23	05.09.2023	05.09.2023 to 04.09.2026

- 2.6 Hence, the instant Application under Section 7 of the Code was filed by the Applicant seeking for initiation of CIRP Process against the Corporate Debtor.
- 2.7 The date of default is stated as 08.02.2018 being the date which falls 90 days prior to the date of NPA.

3. ANALYSIS AND FINDINGS

- 3.1 We have heard the counsel of the Applicant and have perused the records. The observations of the Tribunal in regard to the Application are as under: -



- 3.2 The Applicant had granted Cash Credit Facility of Rs. 2 Crore Crores (Enhancement from earlier limit of Rs. 1.00 Crores) to the Corporate Debtor *vide* Sanction Letter dated 28.12.2012. The same was acknowledged by the Corporate Debtor through a "Request Letter for making Credit Facility available" dated 03.01.2013 to the Applicant. Thereafter, the Corporate Debtor had promised to pay to the Applicant the principal amount and interest thereon at base rate plus 3.50% i.e. 14% p.a. and penal interest etc. as may be fixed by the Applicant, through a 'Demand Promissory Note' dated 03.01.2013. The Corporate Debtor has also executed a notarised and Registered Affidavit dated 31.12.2012 along with Letter of Occurrence dated 03.01.2013 confirming the disbursement of the amount. Therefore, there has been a disbursement of the amount of debt from the Applicant to the Corporate Debtor.
- 3.3 Further, we find that the Corporate Debtor has given 'Balance and Security Confirmation Letter' dated 15.12.2014 and 10.12.2017 acknowledging the debt and securities in respect of the dues. Thereafter, the Applicant issued a Demand Notice under Section 13 of the SARFAESI Act, 2002 dated 07.06.2018 calling upon the Corporate Debtor to repay an aggregate amount of Rs. 1,84,66,579/- along with interest at 13% p.a. and penal interest, within 60 days from receipt of the said notice. The Corporate Debtor had not responded to this notice.
- 3.4 The Applicant has annexed Statement of Account bearing Account No. 60088348801 and the same is confirmed by the Certificate under Section 2A(a) of the Banker's Book of Evidence Act, 1891 dated 17.08.2024. The Statement of Accounts are from 01.04.2015 to 31.03.2019. The NeSL record of default in Form D dated 23.02.2024 confirming the status of default as "authenticated" is also attached by the Applicant in the Application.



- 3.5 Relevant pages of the Financial Statements of the Corporate Debtor for the Financial Year (FY) 2018-2019, 2020-21, 2021-22 and 2022-23 have also been attached. These statements show that the Corporate Debtor has borrowed money from the Applicant, which is reflected under the head 'Short-Term Borrowings'. The date of default mentioned in Part-IV of the Application is 08.02.2018, and therefore, the limitation period for the same expires at the expiry of 3 years i.e. on 07.02.2021. But the Financial Statements produced are for the FY 2018-2019, 2020-21, 2021-22 and 2022-23 and the said Financial Statements clearly acknowledge the debt of the Applicant Bank. Thus, the Application filed is within the limitation period as these statements contain an acknowledgment of the debt due and payable by the Corporate Debtor.
- 3.6 On perusal on the latest Balance Sheet for FY-2022-23 of the Corporate Debtor, we find that the Corporate Debtor acknowledged an amount of Rs.1,74,649.75/- under 'Current Liabilities' as Short-Term Borrowings which shows that an amount of more than Rs.1 Crore is outstanding payable by the Corporate Debtor. On perusal of the Independent Auditor's Report for the year ended on 31.03.2023, it is seen that the Ld. Auditor of the Corporate Debtor has stated that *"....the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders, except.....(c) Cash credit secured against book debts from Bank of Maharashtra has become NPA outstanding in the books of accounts is Rs.1.74 Crores"* which substantiates the debt and default by the Corporate Debtor.
- 3.7 In view of aforesaid discussions, it is clear that the Applicant has placed on record necessary evidences and materials to demonstrate the existence of the financial debt exceeding the minimum threshold of Rs.1 Crore prescribed under Section



4 of the Code due and payable by the Corporate Debtor as well as the default in repayment thereof by the Corporate Debtor.

- 3.8 The Applicant has the proposed Interim Resolution Professional (IRP) in compliance with Section 7(3)(b) of the Code. It has proposed the name of Mr. Anil Kashi Drolia, a registered Insolvency Professional as the Interim Resolution Professional (IRP) to carry out the functions as mentioned under the Code. The Applicant has provided his valid AFA in Form B valid till 30.06.2025 and has also given his consent and also the declaration in Form 2, *inter alia*, stating that no disciplinary proceeding is pending against him.
- 3.9 We find that all pre-requisites of Section 7(5)(a) of the Code are fulfilled and, accordingly, we are satisfied that the instant Application is fit for admission under Section 7 of the Code.

ORDER

In view of the aforesaid findings, Application bearing C.P.(IB) No. 175/MB/2025 filed under Section 7 of the Code by Bank of Maharashtra, the Financial Creditor, for initiating CIRP in respect of Sawant Logistic Services Pvt. Ltd, the Corporate Debtor is hereby **admitted**.

We further declare moratorium under Section 14 of the Code with consequential directions as mentioned below: -


- I. We prohibit-
- 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 Securitisation 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 possession of the Corporate Debtor.

- II. That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.
- III. That the order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Tribunal approves the resolution plan under Section 31(1) of the Code or passes an order for the liquidation of the Corporate Debtor under Section 33 thereof, as the case may be.
- IV. That the public announcement of the CIRP shall be made in immediately as specified under Section 13 of the Code read with Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and other Rules and Regulations made thereunder.
- V. That this Bench hereby appoints **Mr. Anil Kashi Drolia, a registered Insolvency Professional** having Registration Number **IBBI/IPA-001/IP-P-**



02327/2020-2021/13482 and e-mail address anildrolia.ip@gmail.com having valid Authorisation for Assignment up to 30.06.2025 as the IRP to carry out the functions under the Code.

- VI. That the fee payable to IRP/RP shall be in accordance with such Regulations/Circulars/ Directions as may be issued by the IBBI.
- VII. That during the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of Section 17 or Section 25, as the case may be, of the Code. The officers and managers of the Corporate Debtor the Corporate Debtor is directed to provide effective assistance to the IRP as and when he takes charge of the assets and management of the Corporate Debtor. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP within a period of one week from the date of receipt of this Order and shall not commit any offence punishable under Chapter VII of Part II of the Code. Coercive steps will follow against them under the provisions of the Code read with Rule 11 of the NCLT Rules for any violation of law.
- VIII. That the IRP/IP shall submit to this Tribunal periodical reports with regard to the progress of the CIRP in respect of the Corporate Debtor.
- IX. In exercise of the powers under Rule 11 of the NCLT Rules, 2016, the Financial Creditor is directed to deposit a sum of Rs.3,00,000/- (Rupees Three Lakh) with the IRP to meet the initial CIRP cost arising out of issuing public notice and inviting claims, etc. The amount so deposited shall be



interim finance and paid back to the Financial Creditor on priority upon the funds available with IRP/RP from the Committee of Creditors (CoC). The expenses incurred by IRP out of this fund are subject to approval by the CoC.

- X. A copy of this Order be sent to the Registrar of Companies, Maharashtra, Mumbai for updating the Master Data of the Corporate Debtor.
- XI. A copy of the Order shall also be forwarded to the IBBI for record and dissemination on their website.
- XII. The Registry is directed to immediately communicate this Order to the Financial Creditor, the Corporate Debtor and the IRP by way of Speed Post, e-mail and WhatsApp.
- XIII. **Compliance report of the order by Designated Registrar is to be submitted today.**

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)
//Vani//

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)