



**BEFORE THE ADJUDICATING AUTHORITY**  
**NATIONAL COMPANY LAW TRIBUNAL**  
**DIVISION BENCH, COURT-1, AHMEDABAD**

ITEM No.101  
C.P.(IB)/141(AHM)2025

**Proceedings under Section 7 IBC**

**IN THE MATTER OF:**

Indian Bank

.....Applicant

V/s

Dattar Ceramic Pvt. Ltd

.....Respondent

**Order delivered on: 09/06/2025**

**Coram:**

Mr. Shammi Khan, Hon'ble Member(J)

Mr. Sanjeev Kumar Sharma, Hon'ble Member(T)

**PRESENT:**

For the Applicant : Mr. Ritesh Patadia, Advocate

For the Respondent : None

**ORDER**  
**(Hybrid Mode)**

1. The present petition has been filed on 20.02.2025 by the Applicant (hereinafter referred to as "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, seeking initiation of the Corporate Insolvency Resolution Process (CIRP) against Dattar Ceramic Private Limited, the Respondent (hereinafter referred to as "Corporate Debtor") for having defaulted on the payment of its outstanding dues of Rs.47,30,18,245/- , including interest. The date of default is stated to be 31.12.2018.
2. On perusal of Part-I of the Form-1 revealed that this application is filed by Indian Bank, a body corporate constituted under the Banking Companies

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(Acquisition and Transfer of Undertakings) Act, 1970, with its Head Office at 254-260, Avvai Shanmugam Salai, Royapettha, Chennai-600014, and its Stressed Asset Management (SAM) Branch at 2nd Floor, Deshna Chambers, B/H Kadva Patidar Vadi, Usmanpura Cross Road, Opp. AMC Water Tank, Ashram Road, Ahmedabad, Gujarat- 380009. The Financial Creditor is represented by Mr. Mahipal Singh Rajpurohit, Chief Manager, duly authorized through a Power of Attorney dated 19.02.2025, annexed as Annexure-A (Pages 16-19), which empowers him to act on behalf of the Financial Creditor in all legal proceedings, including the present petition.

3. On perusal of Part-II of the Form-1 revealed that the Corporate Debtor is Dattar Ceramic Private Limited having CIN No. U17115GJ2013PTC076394. The Corporate Debtor was incorporated on 13.08.2013 and has a registered office at Vikas Cotton Ginning & Pressing, Near Marketing Yard, Opp. G.I.D.C., Halvad, Surendranagar, Gujarat 363330, as confirmed by the Master Data from the Ministry of Corporate Affairs, annexed as Annexure-B (Page 20).
4. On perusal of Part-III of the Form-1 revealed that the Financial Creditor has proposed Mr. Iqbal Singh Gandhi, having Registration Number IBBI/IPA-001/IP-P-02365/2021-2022/13524, address: C/302, Rosewood Estate, Satellite, Near Prerna Tirth Jain Derasar, Ahmadabad, Gujarat,380015 (e-mail: iqbalsingh2659@yahoo.co.in) under section 13 (1)(c) of the Code to act as Interim Resolution Professional (**IRP**), His written consent in Form-2 dated 17.02.2025 is annexed as Annexure-C (Pages 21-24). The Financial Creditor has also certified that Mr. Iqbal Singh Gandhi is fully qualified to act as an Insolvency Professional under the Code, as per the declaration on Page 14.

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5. On perusal of Part-IV & V of the Form-1 revealed that the Corporate Debtor approached the Financial Creditor for credit facilities to establish a feldspar powder project. Pursuant to this request, the Financial Creditor sanctioned an Open Cash Credit (OCC) limit of Rs. 6.00 crores, a Term Loan of Rs. 18.00 crores, and a Bank Guarantee limit of Rs. 1.00 crore vide a sanction letter dated 16.03.2017, at an interest rate of MCLR + 2.40% p.a. (MCLR at the time being 8.60%), with monthly rests, as evidenced by Annexure-D (Pages 25-41).
6. The Corporate Debtor, through its Board Resolution dated 22.05.2017, accepted the terms and conditions of the sanction letter and provided primary and collateral security, including hypothecation of stock, book debts, plant and machinery, and fixed assets, along with personal guarantees of Mr. Afzalbhai A. Kaladiya, Mr. Amin A. Kaladiya, Mr. Mohmmadrafik A. Kaladiya, and Mrs. Rashidabanu A. Kaladiya, as per the guarantee agreements dated 02.06.2017, annexed as Annexure-I (Pages 77-166).
7. Subsequently, the Corporate Debtor sought renewal of the existing term loan and an additional term loan for the purchase of commercial vehicles. The Financial Creditor, considering the request, renewed the existing facilities (OCC of Rs. 6.00 crores, Term Loan of Rs. 18.00 crores, and Bank Guarantee of Rs. 1.00 crore) and sanctioned an additional Term Loan of Rs. 2.75 crores vide a sanction letter dated 14.03.2018, at interest rates of MCLR + 1.40% p.a. for existing facilities and MCLR + 3.15% p.a. for the additional term loan, with a penal interest of 2% in case of default, as per Annexure-D (Pages 25-41). The Corporate Debtor accepted these terms through a Board Resolution dated 22.01.2018 and provided additional securities, including hypothecation of commercial vehicles, and reaffirmed



the personal guarantees of the aforementioned individuals through guarantee agreements dated 15.03.2018, as per Annexure-I (Pages 77-166).

8. The debt is secured by hypothecation of stock, book debts, plant and machinery, fixed assets, and commercial vehicles, as detailed in Part-V of the petition (Page 11). The security interest is evidenced by a Certificate of Charge issued by the Registrar of Companies (RoC), annexed as Annexure-F (Page 43). Additionally, the Financial Creditor has provided copies of financial contracts, including Board Resolutions dated 22.05.2017 and 22.01.2018, Agreements for Hypothecation of Movables dated 02.06.2017 and 15.03.2018, Medium Term Loan Agreements dated 02.06.2017 and 15.03.2018, an Agreement for Open Cash Credit dated 02.06.2017, and a Mortgage Deed dated 03.06.2017, all annexed as Annexure-I (Pages 77-166).
9. However, despite availing the credit facilities, the Corporate Debtor defaulted on its repayment obligations from 31.12.2018, as detailed in the working computation of the default annexed as Annexure-E (Page 42). The guarantors also failed to honour their commitments under the guarantee agreements, as evidenced by Annexure-I (Pages 77-166). Consequently, the Financial Creditor classified the term loan account as a Non-Performing Asset (NPA) on 31.03.2019, as noted in Part-IV of the petition (Page 10). The Financial Creditor made repeated attempts to regularize the account, but both the Corporate Debtor and the guarantors failed to comply, leading to the recall of the loan amount.
10. The Financial Creditor initiated proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) by issuing a notice under Section 13(2) on 09.05.2019. Further, the Financial Creditor filed an Original Application (OA



No. 89/2020) before the Hon'ble Debt Recovery Tribunal-I (DRT-I), Ahmedabad, on 21.02.2020, against the Corporate Debtor and its guarantors. The DRT-I, vide its order dated 22.02.2022, ruled in favour of the Financial Creditor, confirming the default and the liability of the Corporate Debtor, as annexed as Annexure-G (Pages 44-49).

11. The total debt granted by the Financial Creditor to the Corporate Debtor amounts to Rs.27.75 Crores, with the first disbursement made on 21.03.2017. The amount claimed to be in default as on 30.01.2025 is Rs. 47,30,18,245/-, comprising a principal amount of Rs. 25,95,18,452/-, unclaimed interest of Rs. 20,85,28,770/-, and penal interest of Rs. 49,71,023/-, as meticulously computed in Annexure-E (Page 42). The default is further corroborated by the National e-Governance Services Limited (NeSL) certificate, annexed as Annexure-H (Pages 50-76), which records the default with the Information Utility.
12. The petition is supported by a comprehensive set of documents, including the Notice of Motion (Page 1), Memo of Parties (Page 2), Synopsis (Pages 3-5), Application under Section 7 (Pages 6-15), and various annexures marked as Annexure-A to Annexure-N, as detailed in the Index (Page 1). The petition is supported by a General Affidavit dated 19.02.2025, sworn by Mr. Mahipal Singh Rajpurohit, Chief Manager of the Financial Creditor, aged 41 years, affirming the authenticity of the petition and its annexures, as per Pages 15-16. The Power of Attorney (Annexure-A, Pages 16-19) grants Mr. Rajpurohit comprehensive authority to represent the Financial Creditor, including the power to initiate legal proceedings, sign documents, and recover dues.
13. Notice of the petition was issued to the Corporate Debtor on 05.05.2025, as evidenced by the Service Report Affidavit filed on 02.06.2025 vide Diary No.



D-3377. The Corporate Debtor was duly served through multiple modes: Speed Post on 15.05.2025, Email on 10.05.2025, and Dasti Mode on 29.05.2025. Despite proper service, the Corporate Debtor neither appeared on the last date of hearing on 03.06.2025 nor today before this Tribunal nor filed any reply. Therefore, the right of the Corporate Debtor to file a reply is hereby closed, and the matter is proceeded **ex-parte**.

14. We have heard Ld. Counsel for the Financial Creditor, *ex-parte* against the Corporate Debtor, and perused the material available on record
15. On perusal of the records, it is found that the Financial Creditor has fulfilled all requirements under Section 7 of the Code by establishing: (a) the existence of a financial debt, as evidenced by the sanction letters (Annexure-D, Pages 25-41), financial contracts (Annexure-I, Pages 77-166), and the computation of default (Annexure-E, Page 42); (b) the occurrence of a default on 31.12.2018, as corroborated by the NeSL certificate (Annexure-H, Pages 50-76) and the DRT order (Annexure-G, Pages 44-49); and (c) compliance with procedural requirements, including the appointment of a proposed IRP (Annexure-C, Pages 21-24) and payment of the requisite fee (Annexure-N, Page 14).
16. The uncontroverted evidence establishes that the Corporate Debtor owes a financial debt of Rs. 47,30,18,245.00 as on 30.01.2025, comprising a principal amount of Rs. 25,95,18,452.00, unclaimed interest of Rs. 20,85,28,770.00, and penal interest of Rs. 49,71,023.00 (Annexure-E, Page 42). The default is further substantiated by the hypothecation agreements and the Certificate of Charge (Annexure-F, Page 43), which confirm the creation of a security interest in favour of the Financial Creditor. The Corporate Debtor's failure to appear or contest the petition leaves these facts undisputed.



17. On the aspect of limitation, the default occurred on 31.12.2018, and the account was classified as NPA on 31.03.2019. The petition was filed on 20.02.2025. Under Section 7 of the Code, the limitation period is governed by Article 137 of the Limitation Act, 1963, which prescribes a three-year period from the date of default, i.e., 31.12.2018, extending to 31.12.2021. However, the DRT order dated 22.02.2022 (Annexure-G, Pages 44-49) constitutes an acknowledgment of debt by the Corporate Debtor, as it confirms the liability in favor of the Financial Creditor. Under Section 18 of the Limitation Act, 1963, this acknowledgment extends the limitation period by another three years from 22.02.2022, i.e., until 22.02.2025. Since the petition was filed on 20.02.2025, it is well within the extended limitation period. Furthermore, the NeSL certificate (Annexure-H, Pages 50-76) and the continuous cause of action due to non-payment reinforce the maintainability of the petition.
18. The present Petition is complete in terms of Section 7 (5) of the Code. The Tribunal finds that the Financial Creditor has discharged its burden of proof under Section 7 of the Code by demonstrating the existence of a financial debt and default in payment of the financial debt by the Corporate Debtor. The outstanding financial debt is of more than rupees one crore, which meets the threshold limit as per section 4 of the Code and is well within the limitation for filing the present Petition, which is supported by comprehensive documentation. Moreover, the said default is not covered under the period exempted under Section 10A of the IBC, 2016.
19. The appointment of the proposed IRP, Mr. Iqbal Singh Gandhi, is in accordance with the provisions of the Code, and his qualifications are duly certified (Annexure-C, Pages 21-24). He has filed his written communication annexed with the Petition as (Annexure-C, Pages 21-24) as per the



requirement of Rule 9(l) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. There is a declaration made by him that there are no disciplinary proceedings pending against him with the Board or in Indian Institute of Insolvency Professionals of ICAI. In addition, further necessary disclosures have been made by him as per the requirement of the IBBI Regulations.

20. In light of the above findings, this Tribunal is satisfied that the Financial Creditor is entitled to the relief as sought. The Corporate Debtor's default, coupled with its non-appearance despite due service, justifies the admission of the petition and the initiation of CIRP under the Code. The Tribunal relies on the precedent in *Innoventive Industries Ltd. Vs. ICICI Bank Ltd. & Anr. (2017) ibclaw.in 02 SC*, wherein the Supreme Court held that once a default is established and the application is complete, the Adjudicating Authority must admit the petition unless there is a valid defence. Hence, the Application filed under section 7(2) of the Insolvency and Bankruptcy Code for initiation of corporate insolvency resolution process against the Respondent/Corporate Debtor deserves to be admitted.
21. Accordingly, in light of the above facts and circumstances, it is hereby ordered as under:-
- (i) The Respondent/Corporate Debtor - Dattar Ceramic Private Limited is **admitted** in the Corporate Insolvency Resolution Process (CIRP) under section 7 of the IBC, 2016.
  - (ii) As a consequence thereof, a moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 is declared for prohibiting all of the following in terms of Section 14(1) of the IBC, 2016.
    - 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;*

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- 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 the possession of the Corporate Debtor.*
- e. *The provisions of sub-Section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a Corporate Debtor.*
- (iii) The order of moratorium under section 14 of the Code shall come to effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of section 31 or passes an order for liquidation of the corporate debtor under Section 33 of the IBC 2016, as the case may be.
- (iv) However, in terms of Section 14(2) to 14(3) of the Code, the supply of essential goods or services to the corporate debtor as may be specified, if continuing, shall not be terminated or suspended, or interrupted during the moratorium period. The corporate debtor to provide effective assistance to the IRP as and when he takes charge of the assets and management of the corporate debtor.
- (v) As proposed by the Financial Creditor, we appoint **Mr. Iqbal Singh Gandhi**, having Registration Number IBBI/IPA-001/IP-P-02365/2021-2022/13524, address: C/302, Rosewood Estate, Satellite, Near Prerna Tirth Jain Derasar, Ahmadabad, Gujarat, 380015 (e-mail: iqbalsingh2659@yahoo.co.in) under section 13 (1)(c) of the Code to act as Interim Resolution Professional (IRP). He shall conduct the Corporate Insolvency Process as per the Insolvency and Bankruptcy Code, 2016 r.w. Regulations made thereunder.



- (vi) The IRP so appointed shall make a public announcement of the initiation of the Corporate Insolvency Resolution Process and call for submissions of claims under section 15, as required by Section 13(1)(b) of the Code.
- (vii) The IRP shall perform all his functions as contemplated, *inter-alia*, by sections 17, 18, 20, and 21 of the Code. It is further made clear that all personnel connected with the corporate debtor, its promoters, or any other person associated with the management of the corporate debtor are under legal obligation, as per section 19 of the Code, to extend every assistance and cooperation to the IRP. Where any personnel of the corporate debtor, its promoters, or any other person required to assist or co-operate with the IRP do not assist or cooperate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.
- (viii) The IRP is expected to take full charge of the corporate debtor's assets and documents without any delay whatsoever. He is also free to take police assistance in this regard, and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.
- (ix) The IRP shall be under a duty to protect and preserve the value of the property of the 'corporate debtor company' and manage the operations of the corporate debtor company as a going concern as a part of the obligation imposed by section 20 of the Code.
- (x) The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority a periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- (xi) We direct the financial creditor to pay IRP a sum of **Rs.3,00,000/- (Rupees Three Lakh Only)** in advance within a period of 7 days from the date of this order to meet the cost of CIRP arising out of issuing public notice and inviting claims etc. till the CoC decides about his fees/expenses.
- (xii) The Registry is directed to communicate this order to the financial creditor, corporate debtor, and the Interim Resolution Professional, the concerned Registrar of Companies and the Insolvency and Bankruptcy Board of India after completion of necessary formalities, within seven working days and upload the same on the website immediately after pronouncement of the

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order. The Registrar of Companies shall update its website by updating the Master Data of the Corporate Debtor in the MCA portal, specifically mentioning regarding admission of this Application, and shall forward the compliance report to the Registrar, NCLT.

(xiii) The IRP shall also serve a copy of this order to the various departments such as Income Tax, GST (centre), State Trade Tax, Provident Fund etc. who are likely to have their claim against Corporate Debtor as well as to the trade unions/employees associations so that they are informed of the initiation of CIRP against the Corporate Debtor timely.

(xiv) The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.

22. Accordingly, this Application **CP(IB)/141/AHM2025** is hereby **admitted**. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-

**SANJEEV KUMAR SHARMA**  
**MEMBER (TECHNICAL)**

Sd/-

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**