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BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
COURT 1

CP(IB) 307 of 2020

Coram: MADAN BHALCHANDRA GOSAVI, MEMBER (JUDICIAL)
VIRENDRA KUMAR GUPTA, MEMBER (TECHNICAL)

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING BEFORE THE AHMEDABAD BENCH OF THE
NATIONAL COMPANY LAW TRIBUNAL ON 09.03.2021

Name of the Company:

Raajratna Metal Industries Ltd
V/s
Real Strips Ltd

Section:

7 of Insolvency and Bankruptcy Code, 2016

ORDER

The case is fixed for pronouncement of order.

The order is pronounced in open court vide separate sheet.


(VIRENDRA KUMAR GUPTA)
MEMBER (TECHNICAL)


(MADAN B. GOSAVI)
MEMBER (JUDICIAL)

Dated this the 9th day of March, 2021.

**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
COURT-I**

CP (IB) No.307/7/NCLT/AHM/2020

(Application for initiating Corporate Insolvency Resolution Process under Section 7 of the Insolvency & Bankruptcy Code, 2016)

In the matter of :

Raajratna Metal Industries Limited

registered Office at :

909, Sakar-II, Nr. Income Tax Circle,
Navrangpura, Ahmedabad-380014

..Financial Creditor

V/s

Real Strips Limited

Registered office at:

Survey No. 245-246, Village Sari,
Ahmedabad-Bavla Highway,
Taluka Sanand –Ahmedabad-382220

...Corporate Debtor

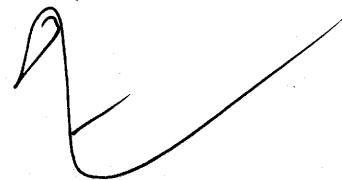
Order Reserved on 8th March, 2021
Order Pronounced on 9th March, 2021

Coram: MADAN B. GOSAVI, MEMBER(J)
VIRENDRA KUMAR GUPTA, MEMBER (T)

Appearance:

Learned Counsel Mr. Atul Sharma for the Financial Creditor

Learned Counsel Mr. Harmish Shah appeared for the Corporate Debtor



ORDER

[Per: VIRENDRA KUMAR GUPTA, MEMBER(T)]

1. This Application is filed by the **Raajratna Metal Industries Limited** (hereinafter referred to as the 'Financial Creditor') through its Authorised Signatory under Section 7 of the Insolvency & Bankruptcy Code, 2016, r.w. Rule 4 of the Insolvency & Bankruptcy Code, 2016, to start Corporate Insolvency Resolution Process (hereinafter referred to as the 'CIRP') against the **Real Strips Limited** the Corporate Debtor, on the ground that, it has committed a default in paying the financial debt of **Rs. 25,99,22,676/-**.
2. The facts, in brief, are that the inter Corporate loan facility agreement had been entered by and between the Financial Creditor and Corporate Debtor on 16.12.2018. A sum of Rs. 77,00,00,000/- (Rupees Seventy Seven Crores only) was disbursed. The agreement also provided for the payment of interest at the rate of 12% p.a. The repayment of loan had to be made within a period of 5 years quarterly starting from 1st July, 2019 in 20 equally instalments. The interest was also to be paid on such instalments. The Corporate Debtor partly

repaid the loan including interest, however, the said outstanding amount have remained unpaid. The Corporate Debtor in-spite of negotiation between the parties failed to repay the same. The Corporate Debtor in its reply has admitted the fact that due to financial crunches faced by the Corporate Debtor, the Corporate Debtor was unable to repay the loan.

3. In view of the above, admission by the Corporate Debtor, there remains nothing further to be deliberated on. There is debt which is due and payable as it is not barred by limitation. The default has occurred in terms of provisions of Insolvency & Bankruptcy Code, 2016.
4. The application is otherwise complete and defect free. The name of the IRP has been proposed whose consent is on record at Annexure-'C', hence, we appoint the same person as IRP against him no disciplinary proceedings are pending.
5. In view of the above facts and legal position applicable thereto, we hold that this application is deserves to be admitted.

6. In the result, the application filed under Section 7 of the Insolvency & Bankruptcy Code, 2016 stands allowed in terms of following directions:

ORDER

1. **Real Strips Limited** the Corporate Debtor is admitted in Corporate Insolvency Resolution Process (CIRP) under Section 7 of the Insolvency & Bankruptcy Code, 2016 and the moratorium is declared for prohibiting all of the following in terms of Section 14(1) of the Code.

- (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 the possession of the corporate debtor.*

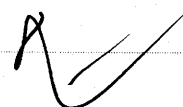
2. The order of moratorium shall have effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of the Section 31 or passes an order for liquidation of Corporate Debtor Company under Section 33 of the Insolvency & Bankruptcy Code, 2016, as the case may be.

3. The Financial Creditor has proposed the name of the Interim Resolution Professional(IRP). Therefore, this Adjudicating Authority hereby appoint PCA Mr. Ramchandra Dallaram Choudhary having regn. no. IBBI/IPA-001/IP-00157/2017-18/10326 to act as an IRP under Section 13(1) (c) of the Code. The IRP did not give his fee schedule.

4. The IRP shall perform all his functions as contemplated, *inter-alia*, by Sections 17,18,20 & 21 of the Code. It is further made clear that all personnel connected with Corporate Debtor, its Promoter or any other person associated with management of the Corporate Debtor

are under legal obligation under Section 19 of the Code extend every assistance and co-operation to the Interim Resolution Professional. Where any personnel of the Corporate Debtor, its Promoter or any other person required to assist or co-operate with IRP, do not assist or Co-operate, IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

5. We direct the IRP to make public announcement of initiation of Corporate Insolvency Resolution Process (CIRP) and call for submission of claims under Section 15 as required by Section 13(1) (b) of the Code.
6. It is further directed that the supply of goods/service to the Corporate Debtor Company, it continuing, shall not be terminated or suspended or interrupted during moratorium period.
7. The IRP shall be under 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 obligation

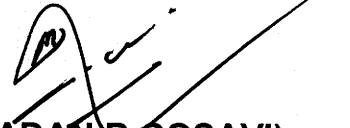


imposed by Section 20 of the Insolvency & Bankruptcy Code, 2016. The Financial Creditor is directed to pay an advance of Rs. 2,00,000/- (Rupees Two Lacs only) to the IRP within two weeks from the date of this order for the purpose of smooth conduct of Corporate Insolvency Resolution Process (CIRP) and IRP to file proof of receipt of such amount to this Adjudicating Authority alongwith First Progress Report.

8. The Registry is directed to communicate a copy of this order to the Financial Creditor, Corporate Debtor and to the Interim Resolution Professional and the concerned Registrar of Companies, after completion of necessary formalities forthwith and upload the same on website immediately after pronouncement of the order.
9. CP(IB) No. 307 of 2020 stands allowed and disposed of accordingly.



**(VIRENDRA KUMAR GUPTA)
MEMBER (TECHNICAL)**



**(MADAN B GOSAVI)
MEMBER (JUDICIAL)**

Signed on this, the 9th March, 2021