



IN THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH, JAIPUR

**CORAM: SHRI DEEP CHANDRA JOSHI,
HON'BLE JUDICIAL MEMBER**

**SHRI RAGHU NAYYAR,
HON'BLE TECHNICAL MEMBER**

Company Petition No. (IB)- 56/10/JPR/2021

IN THE MATTER OF:

M/s Ranisagar Cement Company Ltd.
E-295, Lal Kothi Scheme, Behind
New Vidhan Sabham Jaipur- 302017
(Rajasthan)

... Corporate Applicant/ Debtor

For the Applicant : Nivedita R. Sarda, Adv.

Order Pronounced On: 23.06.2022

ORDER

Per: Shri Raghu Nayyar, Technical Member

1. The instant Application is filed under Section 10 of the Insolvency and Bankruptcy Code, 2016 ('Code') read with Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 ('Rules') for initiation of Corporate Insolvency Resolution Process in respect of M/s Ranisagar Cement Company Ltd., the Corporate Debtor being the Applicant Company itself. The instant Application is filed through its director, Mr. Dinesh Kumar Mathur, has been authorised vide Board Resolution dated 01.07.2021.



2. The Applicant, 'M/s. Ranisagar Cement Company Ltd.', is a company incorporated on 13.09.1991 under the Companies Act, 1956 bearing CIN No. U26943RJ1991PLC006194. The registered office of the Applicant company is situated at E-295, Lal Kothi Scheme, Behind New Vidhan Sabha, Jaipur- 302017.
3. The company has authorised share capital of Rs. 8 crores divided into 80 lakhs equity shares of face value of Rs. 10 each and paid-up capital of Rs. 6,48,62,250/- divided into 64,86,225 equity shares of face value of Rs. 10 each.
4. The main object of the company is to produce manufacture, treat, process, refine, import, export, purchase, sell and generally deal in and to act as brokers, agents, stockists, distributors and suppliers of all kinds of cement products of any description such as pipes, poles, slabs, asbestos sheets, blocks, tiles, garden-wares and otherwise an articles , things, compounds and preparations connected with aforesaid project and in connection therewith to take on lease or acquire or erect, construct, establish, work, operate and maintain cement factories, quarries, mines, workshop and other works.
5. The company on incorporation in 1991 had installed 1 clinker grinding unit for manufacturing cement at Village Ranisagar, Beawar Distt., Ajmer.
6. In order to expand the manufacturing, the applicant raised funds from public by way of initial public offer of Rs. 65,30,000/- in the year 1991 for issue of 6,53,000 shares for Rs. 10 per share. For the same purpose, the company



took a secured loan of Rs. 140 lakhs from State Bank of India erstwhile State Bank of Hyderabad, Chaura Rasta Branch, Jaipur, Rajasthan.

7. But the expansion project could not be implemented within reasonable time period which led to complete halt of all operations of all the existing mini cement plant. As the company was not able to serve interests and principal liability it was declared as non-performing asset in the year 2002 by the State Bank of Hyderabad.
8. The Bank file a suit for recovery with the Debt Recovery Tribunal ('DRT'), Jaipur against the Corporate Applicant and took possession of the entire immovable and moveable assets of the company. Thereafter, the DRT order in favour of the State Bank of Hyderabad and the said Bank then auctioned the immovable and moveable assets of the company at Village Ranisagar, Beawar Distt., Ajmer in the year 2007-08 for Rs. 136 lakhs, Hence, the entire assets of the Corporate Applicant were disposed of including land, buildings and plant and machinery in order to recover the debt.
9. Thereafter, another suit for recovery of remaining amount of loan along with interest thereof was filed by the Bank which was disposed of with liberty by the DRT vide order dated 04.03.2009.
10. Later, as there were no transactions on stock exchanges and no business was carried out by the company since 1997, the Corporate Applicant applied for delisting of fixed shares from Bombay Stock Exchanges and Jaipur Stock Exchanges which was permitted vide letter dated 10.08.2017.



11. The company has submitted that no demand has been raised by either the Banks or otherwise nor any action has been taken for recovery of the said amount. Thereafter, the company with the approval of the Board of Directors has written off the said debt amounting to Rs. 421 lakhs in its book of accounts for the period ending on 31.03.2021.
12. The Corporate Applicant has further written off the following outstanding liabilities in Financial Year 2020-21 which were incurred on account of capital expenditure and revenue expenditure at the time of implementation of the unit in 1994-1997. The said liabilities are tabulated below and it is submitted that these liabilities have been outstanding for more than 3 preceding years and the respective creditors have not raised demands as such the said liability are statutorily barred:

Particulars	Amount in Rs.
AAA Finance Company	720546.00
Nagpal Brothers	306000.00
Rin Finance Ltd.	542087.00
Aalishan Petro Prod Ltd.	321894.00
Renu Bhandari	194363.00
Aalishan Fibres Pvt. Ltd.	15000.00
Control System	99037.00
Deep Shree Traders	83701.92
Gopi Lal Vinod Kumar, Jaitaran	18250.00
G Trading Company	9742.00
Karvy Consultants	14370.50



Marudhar Texpack Pvt. Ltd.	45000.00
Nagpal Brothers	25741.22
Rajasthan Chemicals	6306.00
Rajendra Choudhary	366448.21
Rajkumar Goods Transport Co.	13480.00
Rajasthan State Mineral Dev. Corp	13364.00
S C Bapna & Associates (St Auditors)	31230.00
Saraswati Enterprises	34435.00
Vimpson Investments	165113.00
Others	50443.80
Total	3076552.65

13. Thereafter, the limitation of claiming any of the outstanding debt has elapsed and the same has been written off from the books of accounts of the Corporate Applicant in the Financial Year 2020-21.

14. As per the Application, the Corporate Debtor has 3 creditors who extended financial and credit facilities to the Applicant to the tune of Rs. 41,11,965/-.

The details of the same are as follows:

Sr. No.	Creditors	Outstanding Amount
1.	Shri S. P. Sehgal	Rs. 35,44,000/-
2.	Shri D. S. Bhandari	Rs. 5,59,600/-
3.	Shri D. K. Mathur	Rs. 8, 365/-
	Total	Rs. 41,11,965/-

15. In order to prove the said default, the Corporate Debtor has placed copies of declarations by the following:



- a. 6 declarations by Mr. Sarvesh Pal Segal dated 31.03.2002, 01.01.2003, 01.08.2003, 19.06.2003, 01.01.2003 & 08.08.2003 declaring that he lend an amount of Rs. 9,59,000/-, Rs. 3,61,000/-, Rs. 40,000/-, Rs. 1,00,000/-, 14,39,000/- and Rs. 6,45,000/- respectively.
 - b. 5 declarations by Mr. Daljit Singh Bhandari dated 31.03.2002, 31.03.2006, 15.03.2021, 20.06.2021 & 06.07.2021 an amount of Rs. 4,41,000/-, Rs. 3,600/-, Rs. 60,000/-, Rs. 30,000/- & Rs. 25,000/-.
 - c. 2 declarations by Mr. Dinesh Kumar Mathur dated 15.06.2021 & 20.06.2021 an amount of Rs. 7,765/- & Rs. 600/-.
16. There is no dispute in the Company has admittedly defaulted in payment of its debts which was over the minimum applicable amount under Section 4 of the Code and therefore is entitled to file the present Application in terms of sub-section (1) of Section 10 of the Code.
17. In compliance of the requirements of Section 10(3)(a) of the Code read with Annex-V of Form 6 of the Rules, the Applicant Company has filed copies of audited financial statements of the Corporate Debtor for the financial years 2019-20 to 2020-21 and provisional statement of the Corporate Applicant for the broken period of Financial Year 2021-2022 i.e. till 20.07.2021.
18. Further in compliance with Section 10(3)(b) of the Code the Applicant has proposed the name of Ms. Garima Diggiwal, Registration No. IBBI/IPA-



001/IP-P-02018/2020-2021/13158 as the Interim Resolution Professional ('IRP'). The Applicant Company has obtained written communication in Form-2 from the Insolvency Professional for appointment as an IRP. In Form-2 filed along with the Application, it has been affirmed by the proposed IRP that he is a registered Insolvency Professional and qualified to practice as an Insolvency Professional. Further, it has been affirmed/confirmed that no disciplinary proceedings are pending against the proposed IRP. The said Form-2 is annexed at Page No. 141 of the Application.

19. It is noted that the Applicant did not make any submissions with respect to Section 11 of the Code. Therefore, the Applicant is directed to file a Compliance Affidavit within 7 days affirming that the Corporate Applicant is not disqualified in terms of provisions of Section 11 of the Code to file and maintain the Application under Section 10 of the Code. The affidavit shall further confirm that no CIRP has ever been initiated nor any liquidation order or winding-up order has been made against the Applicant Company.
20. In view of the above, it is clear that a default has occurred and the present Application under Section 10 is complete and that the Applicant is not ineligible under Section 11 of the Code. Further, it is evident that the requirements prescribed under sub-section 3(a) and (b) of Section 10 of the Code have also been complied with.



21. The Insolvency and Bankruptcy Code, 2016 is a complete Code in itself. The provisions of the Code are to be mandatorily followed. Adherence to the statutory requirements has to be in toto. Section 10(4)(a) of the Code mandates the Adjudicating Authority to admit the application if it is complete. When the language of the Code is clear and explicit the Adjudicating Authority must give effect to it, whatever may be the consequences.
22. In view of the foregoing, we are satisfied that the present Application is complete and that the Applicant Corporate Debtor has committed a default. Therefore, as the Application is complete the present petition is admitted under section 10(4)(a) of the Code. The corporate insolvency resolution process shall commence from the date of this order under sub-section 5 of Section 10 of the Code.
23. A moratorium in terms of Section 14 of the Code is being issued prohibiting the following:
 - *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;*
 - *transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;*



- *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;*
- *recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.*

24. It is further directed that:

- *The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during the moratorium period.*
- *The provisions of sub-section (1) of section 14 of the Code shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.*

25. Ms. Garima Diggiwal, Registration No. IBBI/IPA-001/IP-P-02018/2020-2021/13158 is appointed as Interim Resolution Professional, who shall take statutorily prescribed steps inter-alia as envisaged under Section 15, 17 and 18 of the Code. Since the tenure of the IRP under section 16(5) shall normally not exceed 30 days from the date of his appointment; the IRP is directed to submit his report at the earliest.



26. The order of moratorium shall have effect from the date of this order till the completion of the corporate insolvency resolution process as per sub-section (4) of Section 14 of the Code.
27. Let a copy of this order be supplied to the Applicant as well as the Interim Resolution Professional to carry out the CIRP at the earliest. A copy of this order shall also be communicated to IBBI for its records.

DEEP
CHANDRA
JOSHI

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JOSHI
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(DEEP CHANDRA JOSHI)
JUDICIAL MEMBER

RAGHU
NAYYAR

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(RAGHU NAYYAR)
TECHNICAL MEMBER