



NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COURT VI

Item No. P1

C.P. (IB)/57(MB)2025

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET DATED **11.04.2025**

NAME OF THE PARTIES:

Karnavati Finance Limited

Vs

New Haven Engineering Co Private Limited

IBC Under Sec 7

ORDER

This Order has been pronounced in the open court today.

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)

//Alka Siwach//

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)



IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH-VI

C.P. (IB)/57/MB/2025

*[Under Section 7 of the Insolvency and Bankruptcy Code,
2016 r/w Rule 4 of the Insolvency and Bankruptcy
(Application to Adjudicating Authority) Rules, 2016]*

KARNAVATI FINANCE LIMITED

[CIN No.: L65910MH1984PLC034724]

2nd Floor, Simran Centre, Mogra Village

30H Parsi Panchayat Road

Andheri East, Mumbai – 400053.

...Financial Creditor

V/s

NEW HAVEN ENGINEERING CO PRIVATE LIMITED

[CIN No.: U28920MH1960PTC011874]

Simran Centre, Mogra Village

30H Parsi Panchayat Road

Andheri East, Mumbai – 400053.

...Corporate Debtor

Pronounced: 11.04.2025

CORAM:

HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)

HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)

Appearances: Hybrid

For Applicant: Adv. Shyam Kapadia a/w Adv. Simran Kasat, Adv. Saavi

Dhaddha & Adv. Lakshmi Nair i/b Bathiya Legal

For Respondent: Adv. Siddharth Idnani



ORDER

[PER: CORAM]

1. **BACKGROUND**

1.1 This C.P. (IB) No.57/MB/2025 (Application) was filed on 20.11.2024 by Karnavati Finance Limited, the Financial Creditor (FC) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, seeking initiation of Corporate Insolvency Resolution Process (CIRP) against New Haven Engineering Co Private Limited, the Corporate Debtor (CD), for alleged default of financial debt amounting to Rs.14,31,13,085/- (Fourteen Crores Thirty-One Lakh Thirteen Thousand Eighty-Five Rupees) which includes outstanding principal amount, unpaid/accumulated interest and penal interest as on 31.10.2024.

1.2 This Tribunal, *vide* Order dated 06.03.2025, allowed the Applicant to modify the Petition and to remove the defects in terms of Proviso to Section 7(5) of IBC. The Applicant complied with the same by modifying the Date of Default as 30.04.2022 and the outstanding dues as on the date of default as Rs.8,82,93,096/- which includes the principal amount, accrued interest, and penal interest upto the amended date of default. Hence, the default date, as mentioned in Part-IV of the Application, is 30.04.2022, and the NPA date is 29.07.2022.

1.3 The CD availed several loans from DCB Bank Limited, i.e., the Lender between 2010 to 2016, secured against mortgaged properties. By virtue of



the Sanction Letter dated 29.12.2016, the Lender sanctioned and disbursed a loan amounting to Rs.10.8 Crores to the CD.

1.4 The loan facilities comprised 2 Dropline Overdraft (DLOD) facilities carrying DLOD a/c no. 01941600000213 and 01941600000231, respectively, and 2 Term Loan (TL) facilities carrying TL a/c no. 01955300000198 and 01955300000213, respectively.

2. CONTENTIONS OF APPLICANT (FC)

2.1 The CD defaulted in making full payment of the dues that were payable on 30.04.2022.

2.2 On 29.07.2022, due to a default in payment exceeding 90 days, the loan account of the CD was declared a Non-Performing Asset (NPA) in compliance with RBI guidelines. Subsequently, a letter was issued by the FC on 16.10.2023 informing the CD and its directors of the NPA status.

2.3 Following the issuance of the Demand Notice dated 08.08.2022 under Section 13(2) of the SARFAESI Act, 2002, read with Rule 3 of the Security Interest (Enforcement) Rules, 2002, the CD failed to repay the debt. The Lender, in exercise of its rights under Section 13(4) of the said Act, read with Rule 6 of the aforementioned Rules, took symbolic possession of the underlying securities on 29.11.2022.

2.4 The Applicant (FC) acquired the loan from the Lender by means of a Deed of Assignment dated 15.06.2023.

2.5 The FC claims that the CD has failed to make any payment subsequent to the assignment of the loan.

2.6 On 22.06.2023, the Applicant issued an intimation letter to the CD and its directors, notifying them of the takeover of the loan from the erstwhile



Lender and calling upon them to adhere to the repayment schedule and make the required EMI payments.

2.7 Despite receiving multiple reminder notices from 02.11.2023 till 30.09.2024 and several follow-ups from the Applicant, the CD has wilfully neglected to address the outstanding dues and has repeatedly defaulted on its payment obligations. Consequently, the Applicant, on 13.09.2024, registered a default record with the National E-Governance Services Limited (NeSL) against the CD.

3. CONTENTIONS OF CD

3.1 A Reply was filed by the Respondent through an Affidavit dated 04.04.2025, affirmed by one Mr. Kartik Ramesh Mehta, who is stated to be a Director of the CD.

3.2 The CD asserts that it has been experiencing certain financial constraints, which the Lender and the Applicant were aware of, and consequently, the CD has been unable to make the payments due to the FC. The CD further claims that there are no other claims against it from any other party and is in the process of raising funds to settle the dues owed to the Applicant.

4. ANALYSIS AND FINDINGS

4.1 We have perused the documents available on record and heard both the Ld. Counsel for the Applicant and the CD.

4.2 On perusal of the records, we find that the 4 loan facilities, originally extended by DCB Bank Limited, were assigned to the Applicant through a valid Deed of Assignment dated 15.06.2023 and the Applicant, being the



assignee, is vested with all rights and entitlements under the original lending documents, including the right to recover the outstanding dues.

4.3 The CD defaulted in making full payment of the outstanding amount on 30.04.2022, triggering the issuance of a Demand Notice dated 08.08.2022 under Section 13(2) of the SARFAESI Act, 2002. Despite being given an opportunity to rectify the default, the CD failed to comply with the notice, which led to the Lender taking symbolic possession of the security under Section 13(4) of the said Act on 29.11.2022.

4.4 The Applicant duly intimated the CD of the assignment and called upon it to honour its repayment obligations, which it failed to comply with despite several reminders. On 29.07.2022, due to default exceeding 90 days, the CD's account was classified as a Non-Performing Asset (NPA) in accordance with RBI guidelines.

4.5 We find that the defence raised by the CD is general in nature and lacks specific evidence to challenge either the existence or quantum of debt, the assignment, or the default. The CD has failed to meet its financial obligations despite several opportunities to remedy the situation. Mere assertions of financial constraints or future intent to raise funds do not constitute a valid legal defence under the IBC, particularly in the absence of any credible evidence or acknowledgment of debt and does not absolve it of the liability to repay the loan, especially since the Applicant has shown that notices were issued and compliance was not forthcoming.

4.6 We are, therefore, of the considered view that the present Application filed by the Applicant is complete in terms of Section 7 of the IBC and deserves to be **admitted**.



ORDER

In view of the aforesaid findings, this Application bearing C.P. (IB) 57/MB/2025 filed under Section 7 of IBC, 2016 by Karnavati Finance Limited, the Applicant (FC) for initiating CIRP in respect of New Haven Engineering Co Private Limited, the CD, is **admitted**.

We further declare a moratorium under Section 14 of IBC, 2016 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 the 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 Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, and;
 - 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 IBC 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 IBC 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. Mayur Rajendrakumar Popat, a registered Insolvency Professional** having **Registration Number IBBI/IPA-001/IP-P-01918/2020-2021/13046** and **e-mail address mayur.popat@inmaandco.com / mayurpopat@hotmail.com**, having valid Authorisation for Assignment up to 30.06.2025 as the IRP to carry out the functions under the IBC.
- 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 IBC. The officers and managers of the Corporate Debtor are directed to provide all 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 IBC. Coercive steps will



follow against them under the provisions of the IBC 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/- (Three Lakh Rupees) 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 becoming 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)

//Alka Siwach//

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)