

**THE NATIONAL COMPANY LAW TRIBUNAL  
NEW DELHI BENCH-IV**

**Company Petition No. (IB)720 (ND)/2021**

**Under Section 7 of the Insolvency and Bankruptcy Code, 2016**

In the matter of:

**SHRILL INVESTMENT LIMITED**

APPLICANT/FINANCIAL CREDITOR

**Vs.**

**INDO INTERNATIONAL TOBACCO LIMITED**

RESPONDENT/CORPORATE DEBTOR

**Order delivered on: 20.06.2022**

**CORAM:**

**SH. DHARMINDER SINGH, HON'BLE MEMBER (J)**

**MS. SUMITA PURKAYASTHA, HON'BLE MEMBER (T)**

**ORDER**

**Per: SUMITA PURKAYASTHA, MEMBER, (T)**

1. The Shrill Investments Limited, has filed the instant application under Section 7 of the Insolvency and Bankruptcy Code, 2016 (for brevity 'the Code') read with rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (for brevity 'the Rules') with a prayer to trigger Corporate Insolvency Resolution Process in respect of respondent Company M/s. Indo

International Tobacco Limited, referred to as the corporate debtor.

2. It is appropriate to mention that the applicant M/s Shri Investments Limited is a company registered under the provisions of The Companies Act, 1956 on 14.06.1995 having its registered office situated at Office No. 357, 3<sup>rd</sup> Floor, Plot No. 2, Vardhman City Centre, Gulabi Bagh, Shakti Nagar, New Delhi-110052. Mr. Mohit Gupta, duly authorized on behalf of applicant vide Resolution dated 22.10.2021, has preferred the present application on behalf of the applicant for initiation of insolvency resolution process against the respondent corporate debtor.
3. The Respondent Company M/s. Indo International Tobacco limited (CIN No. U16000DL2017PLC317682) against whom initiation of Corporate Insolvency Resolution Process has been prayed for having its is company incorporated under the provisions of the Companies Act, 2013, having its registered office situated at Unit No. 912 & 914, 9<sup>th</sup> floor, DLF Tower-A, Jasola District Centre, New-Delhi-110025. Since the registered office of the respondent corporate debtor is in New Delhi, this Tribunal having territorial jurisdiction over the NCT of Delhi is the Adjudicating Authority in relation to the prayer for initiation of Corporate Insolvency Resolution Process in respect of respondent corporate debtor under sub-section (1) of Section 60 of the Code.

4. The case of the applicant precisely is that the corporate debtor had availed financial facility from the financial creditor, Shrill Investment Limited by way of loan agreement dated 17.03.2021. The corporate debtor has agreed to repay the amount but the corporate debtor has defaulted in payment of the said loan. Therefore, as per part IV of the application it is claimed that as on 25.02.2021 a sum of Rs. 8,90,84,492/- is due and payable by the respondent company.

5. Sub-section (3) (b) of Section 7 mandates the financial creditor to furnish the name of an Interim Resolution Professional. In compliance thereof the applicant has proposed the name of Mr. Harish Kumar Gupta, for appointment as Interim Resolution Professional having registration number IBBI/IPA-001/IP-P01678/2019-2020/12644 resident of SH-40/572, IInd Floor, new Moti Nagar, New Delhi-110015 with email - id [hkg\\_asl@yahoo.co.in](mailto:hkg_asl@yahoo.co.in). Mr. Harish Kumar Gupta has agreed to accept the appointment as the interim resolution professional and has signed a communication in Form 2 in terms of Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. There is a declaration made by him that no disciplinary proceedings are pending against him in Insolvency and Bankruptcy Board of India or elsewhere. In addition, further necessary disclosures have been made by Mr. Sanjay Garg as per the requirement of the IBBI Regulations.

Accordingly, it is seen that the requirement of Section 7 (3) (b) of the Code has been satisfied.

6. The applicant has placed following documents on record to prove its claim:

- i. Copy of loan agreement executed between financial creditor and corporate debtor.
- ii. Copy of the bank statements of financial creditor evidencing disbursement of funds to corporate debtor.
- iii. Copy of ledger account of corporate debtor maintained with financial creditor.
- iv. Copy of ledger account of financial creditor with corporate debtor maintained.
- v. Email dated 20.09.2021 and 20.10.2021 received from corporate debtor acknowledging liability towards financial creditor.
- vi. Demand notice dated 28.09.2021 for payment of total amount outstanding as on 31.08.2021

7. Notice by the Authority was issued to which the Corporate Debtor has filled his reply stating therein that they had intentions to repay the loan as per schedule 1 of the loan agreement but could not do the same due to want of proper and healthy finances that occurred upon. Even the Corporate Debtor has itself acknowledge committing default in repayment of loan.

8. Needless to say, that an application under Section 7 of the Code is maintainable if the debt is proved to be due and there is default. In view of the Section 4 of the Code, the moment default is of Rupees one hundred lakhs or more, an application to trigger Corporate Insolvency Resolution Process under the Code is maintainable.

9. The applicant clearly comes within the definition of Financial Creditor. The material placed on record as stated in the paras above further confirms that respondent has debt due and has committed default in repayment of the outstanding financial debt. On a perusal of Form - I filed under Section 7 of the Code read with Rule 4 of the Rules shows that the form is complete and there is no infirmity in the same. It is also seen that there is no disciplinary proceeding pending against the proposed Interim Resolution Professional.

10. We are satisfied that the present application is complete in all respect. The applicant financial creditor is entitled to move the application against the corporate debtor in view of admitted outstanding financial debt and default of the same by the corporate debtor. The default in repayment of the financial debt is not refuted by the Corporate Debtor.

11. As a sequel to the above discussion and in terms of Section 7 (5) (a) of the Code, the present application is hereby, admitted.

-sd-

12. Mr. Harish Kumar Gupta, having registration number IBBI/IPA-001/IP-P01678/2019-2020/12644 is appointed as an Interim Resolution Professional for corporate debtor.

13. In pursuance of Section 13 (2) of the Code, we direct that public announcement shall be made by the Interim Resolution Professional immediately (3 days as prescribed by Explanation to Regulation 6(1) of the IBBI Regulations, 2016) with regard to admission of this application under Section 7 of the Insolvency & Bankruptcy Code, 2016.

14. We direct the applicant Financial Creditor to deposit a sum of Rs. 2 Lakhs with the Interim Resolution Professional namely Mr. Harish Kumar Gupta to meet out the expenses to perform the functions assigned to him in accordance with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The needful shall be done within three days from the date of receipt of this order by the Financial Creditor. The said amount however is subject to adjustment towards Resolution Process cost as per applicable rules.

15. We also declare moratorium in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flows from the provisions of Section 14 (1) (a), (b), (c) & (d) of the Code. Thus, the following prohibitions are imposed:

16. It is made clear that the provisions of moratorium shall not apply to transactions which might be notified by the Central Government or the supply of the essential goods or services to the Corporate Debtor as may be specified, are not to be terminated or suspended or interrupted during the moratorium period. In addition, as per the Insolvency and Bankruptcy Code (Amendment) Act, 2018 which has come into force w.e.f. 06.06.2018, the provisions of moratorium shall not apply to the surety in a contract of guarantee to the corporate debtor in terms of Section 14 (3) (b) of the Code.

17. The Interim Resolution Professional shall perform all his functions contemplated, inter-alia, by Sections 15, 17, 18, 19, 20 & 21 of the Code and transact proceedings with utmost dedication, honesty and strictly in accordance with the provisions of the Code, Rules and Regulations. It is further made clear that all the personnel connected with the Corporate Debtor, its promoters or any other person associated with the Management of the Corporate Debtor are under legal obligation under Section 19 of the Code to extend every assistance and cooperation to the Interim Resolution Professional as may be required by him in managing the day to day affairs of the 'Corporate Debtor'. In case there is any violation committed by the ex-management or any tainted/illegal transaction by ex-directors or anyone else, the Interim Resolution Professional would be at liberty to make

appropriate application to this Tribunal with a prayer for passing a appropriate orders. The Interim Resolution Professional shall be under duty to protect and preserve the value of the property of the 'Corporate Debtor' as a part of its obligation imposed by Section 20 of the Code and perform all his functions strictly in accordance with the provisions of the Code, Rules and Regulations.

18. The office is directed to communicate a copy of the order to the Financial Creditor, the Corporate Debtor, the Interim Resolution Professional and the Registrar of Companies, NCT of Delhi & Haryana at the earliest possible but not later than seven days from today.

-sd-

**(SUMITA PURKAYASTHA)**  
**MEMBER (T)**

-sd-

**(DHARMINDER SINGH)**  
**MEMBER (J)**

Pronounced today under Rule 151 of the NCLT Rules, 2016 as the Hon'ble Member (Technical) Ms. Sumita Purkayastha is not holding the court today.

*Vishal Rana*  
20-06-2022  
**Court Officer**