

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

CP(IB) No. 580/7/NCLT/AHM/2019

Coram: Hon'ble Mr. MADAN BHALCHANDRA GOSAVI, MEMBER (JUDICIAL)  
Hon'ble Mr. VIRENDRA KUMAR GUPTA, MEMBER (TECHNICAL)

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING THROUGH VIDEO CONFERENCING BEFORE THE  
NATIONAL COMPANY LAW TRIBUNAL , INDORE BENCH ON 09.09.2020**

**Name of the Company:** Ritwik Finance Enterprises Pvt. Ltd.  
V/s  
Patwa Automative Pvt. Ltd.

**Section:** Section 7 of the Insolvency & Bankruptcy Code, 2016

**ORDER**

The case is fixed for pronouncement of order.

The Order is pronounced in the open court, vide separate sheet.

  
(VIRENDRA KUMAR GUPTA)  
MEMBER (TECHNICAL)

  
(MADAN B GOSAVI)  
MEMBER (JUDICIAL)

Dated this the 9th day of September 2020.

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

**CP (IB) No.580/7/NCLT/AHM/2019**

(Application for initiating Corporate Insolvency Resolution Process under Section 7 of the Insolvency & Bankruptcy Code, 2016 r.w. Rule 4 of the Insolvency & Bankruptcy Code, 2016 (Application to Adjudicating Authority Rules, 2016))

**In the matter of :**

Ritwik Finance Enterprises Pvt. Ltd.

CIN: U70101WB1987PTC043367

registered office at :

P-1 Unique Park

Nr. Debalaya Shib Madir,

Behala Kolkata(WB)-700034

Corporate office at:

F No. 504 5<sup>th</sup> Floor,

SDC Ashok Millborn

D-38 Subhash Marg,

C-Scheme Jaipur-302001

..Financial Creditor

V/s

Patwa Automotive Pvt. Ltd.

CIN:U01711MP1997PTC011615

Lasudia Mori, Dewas Naka,

A.B. Road Indore MP-452012

..Corporate Debtor

**Date of Pronouncement of Order 9<sup>th</sup> September, 2020**

**Coram: MADAN B. GOSAVI, MEMBER(J)**

**VIRENDRA KUMAR GUPTA, MEMBER (T)**



**Appearance:**

Learned Counsel Mr. L.M. Patel for the Financial Creditor

No one appeared for the Corporate Debtor.

**ORDER**

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

1. An Application is filed by the **Ritwik Finance Enterprises Pvt. Ltd.** ( 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 **Patwa Automotive Pvt Ltd.** the Corporate Debtor, on the ground that, it has committed a default in paying the outstanding debt of **Rs. 14,23,83,521/-**. The date of default is stated as 1<sup>st</sup> July, 2018.
2. The brief facts of the case are as under :
  - I. The Financial Creditor sanctioned and disbursed Loan Facilities of Rs. 12,00,00,000/- on 25<sup>th</sup> December, 2017 to the Corporate Debtor.
  - II. The Financial Creditor submits that the Corporate Debtor agreed to repay the loan facilities as per terms and conditions of the sanction and Schedule D of the Loan Agreement. Apart from this the Corporate

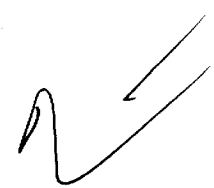
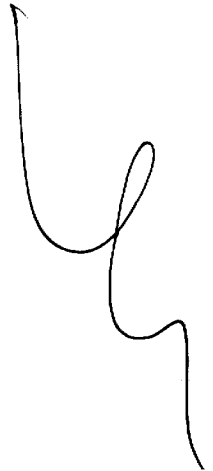
Debtor created Security interest by way of equitable Mortgage property being land bearing Survey No. 49/5/1 & 50/4, Patwari Halka No. 17, Lasudia mori, Indore standing in the name of Patwa Automotive Pvt. Ltd., bearing registration no. MP17914208a1018938 on 09.01.2018 with the office of the Sub-Registrar, Indore-3. To which Mr. Surendra Patwa & Mrs. Monika Patwa stood as Personal Guarantors for repayment of the Term Loan.

- III. The Financial Creditor states that after availing loan facilities the Corporate Debtor initially made part payment of interest but did not pay the interest due during moratorium period from July 2018 to June 2019 as per agreed terms and conditions.
- IV. The Financial Creditor states that despite of several reminders the Corporate Debtor failed and neglected to pay the outstanding dues, hence, default committed from 1<sup>st</sup> July, 2018 and the account of the Corporate Debtor becomes NPA on 30<sup>th</sup> September, 2018. In view of the said default the Financial Creditor initiated Arbitration proceedings against the Corporate Debtor in terms of Arbitration Clause in the Loan Agreement and claimed the said amount and



also sought interim relief to freeze the Bank Accounts of the Corporate Debtor lying with ICICI Bank Ltd. and HDFC Bank Ltd. The Arbitral Tribunal passed an Interim Order dated 24<sup>th</sup> April, 2019 consisting of Shri Sapan Purohit, Sole Arbitrator to freeze the Bank Accounts of the Corporate Debtor lying with ICICI Bank Ltd. and HDFC Bank Ltd. A copy of the same is annexed with the application.

3. The Financial Creditor submits the foreclosure statement for an amount of Rs. 14,23,83,521/- is outstanding as on 30.06.2019 including Principal amount, interest and other charges against the Corporate Debtor. Hence, the application for initiation of CIRP against the Corporate Debtor.
4. The Financial Creditor submits that the Notice upon the Corporate Debtor has also been served by way of Paper publication in "Patrika" daily in vernacular language on 27.11.2019, however, no one appeared for the Corporate Debtor to object this Application. Hence, the matter proceeded for Ex-parte hearing vide order dated 28.02.2020.



5. This Bench vide its order dated 24.07.2020 directed to the Financial Creditor to produce Certificate of Information Utility and the same has been produced by the Financial Creditor, which is on record.
6. We have heard the submissions made by the Learned Counsel for the Financial Creditor and perused the material available on record. There is no dispute as regards to the sanction and disbursement of loan by the Financial Creditor to the Corporate Debtor. It is also not in dispute that such outstanding debt is due and payable, both in law and in-fact. There is a default in repayment of the same. Thus, the application under Section 7 of the Insolvency & Bankruptcy Code, 2016 is liable to be admitted, as it meets the basic ingredients thereof. The Application is complete in all respects and meets requirements of Regulations made under Insolvency & Bankruptcy Code, 2016.
7. The Financial Creditor has proposed the name of Interim Resolution Professional to initiate Corporate Insolvency Resolution Process. The proposed IRP has given his written consent and no disciplinary proceedings are pending against him.

8. The Application filed under Section 7 of the Insolvency & Bankruptcy Code, 2016 is defect free, hence, we admit the application and Corporate Insolvency Resolution Process (CIRP) is commenced by following order :

**ORDER**

1. The application is admitted 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 **Mr. Sajjan Kumar Dokania IBBI/IPA-003/IP-N00150/2017-2018/11729** to act as an IRP under Section 13(1) (c) of the Code.
  
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.

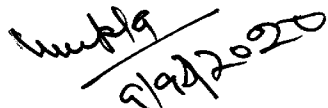


5. This Adjudicating Authority direct the IRP to make public announcement of initiation of Corporate Insolvency Resolution Process (CIRP) and call for submission of claims under Section 15 as required by Section 13(1) (b) of the Code.
6. It is further directed that the supply of goods/service to the 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, within seven working days and upload the same on website immediately after pronouncement of the order.

9. Accordingly, **CP(IB) No. 580/7/NCLT/AHM/2019 is allowed.**
10. The matter to be listed on 02.11.2020 for further consideration.

  
(VIRENDRA KUMAR GUPTA)  
MEMBER (T)

  
(MADAN B GOSAVI)  
MEMBER (J)

Signed on this, the 9<sup>th</sup> September, 2020

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