

**NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH
(Video Conference)
PRESENT: JUSTICE TELAPROLU RAJANI – MEMBER JUDICIAL**

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 9.11.2021 AT 10.30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	CP(IB) NO. 07/7/AMR/2020
NAME OF THE COMPANY	Costal Automobiles Pvt Ltd
NAME OF THE PETITIONER(S)	PPG Asian Paints Pvt Ltd
NAME OF THE RESPONDENT(S)	Costal Automobiles Pvt Ltd
UNDER SECTION	7 OF IBC

Counsel for Petitioner(s):

Ries	Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

Counsel for Respondent(s):

Ries	Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

ORDER

CP(IB) No. 07/7/AMR/2020 is allowed, vide separate orders.

Have
**JUSTICE TELAPROLU RAJANI
MEMBER JUDICIAL**

**NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH**

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CP (IB) No. 07/7/AMR/2020

**In the matter of a Petition under Section 7 of the Insolvency and
Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and
Bankruptcy (Application to Adjudicating Authority) Rules, 2016
AND**

**In the matter of
M/s. COASTAL AUTOMOBILES PRIVATE LIMITED**

Between

M/s. PPG Asian Paints Private Limited,
6- Ashanti Nagar,
Santacruz (East), Mumbai - 400005.

... Financial Creditor

AND

M/s. Coastal Automobiles Private Limited,
1-176, Hukumpet, Rajahmundry,
Andhra Pradesh – 533 103.

... Corporate Debtor

Date of Order: 09.11.2021

CORAM:

Justice Telaprolu Rajani, Member Judicial.

Appearance:

For Operational Creditor : Mr. Damodar Mundra, Advocate.

For Corporate Debtor : None appeared.

ORDER

1. This Application is filed by M/s. PPG Asian Paints Private Limited (“hereinafter referred to as Financial Creditor”) seeking initiation of Corporate Insolvency Resolution Process (CIRP) in respect of M/s. Coastal Automobiles Private Limited (“hereinafter referred to as Corporate Debtor”) alleging that the Corporate Debtor committed default in making payment to the Financial Creditor in

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view of the invoices raised by them upon the Corporate Debtor, by invoking under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

2. The Financial Creditor is a Private Limited Company, registered and incorporated under the Provisions of Indian Companies Act, 1956. The Financial Creditor is a joint venture company of PPG Inc of USA and Asian Paints Ltd., and is carrying business of supply of automotive refinish coating products, Deltron Global Refinish System, etc. The Corporate Debtor is a Private Limited Company registered and incorporated under the Provisions of Companies Act, 2013, engaged in the business of automotive sales, servicing and repair work etc.,
3. It is submitted that the Corporate Debtor approached the Financial Creditor for financial contribution, for the purpose of sales promotion and procurement of specialised painting equipment for development and up-promotion of automotive painting facilities. In view of the same, an Agreement was executed between the Financial Creditor and the Corporate Debtor on 04.06.2013, that in terms and conditions of the said agreement, a financial contribution to the tune of Rs.4,00,000/- was made by the Financial Creditor to the Corporate Debtor. As per the agreement, security was given by the Corporate Debtor to the Financial Creditor for breach of obligations if any. It is noteworthy that the Corporate Debtor issued a demand promissory note for an amount of Rs.4,00,000/- along with interest @12% p.a. as a collateral security.
4. The Financial Creditor issued demand notice dated 18.12.2018 to the Corporate Debtor. But the Corporate Debtor did not issue any

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reply to the said demand notice. Neither was any payment made towards the demanded debt.

9. I heard the counsel for the Financial Creditor and perused the averments made in the Petition as well as the documents annexed to the Petition. It is evident that the Corporate Debtor did not respond to the notice of demand issued by the Financial Creditor. The Corporate Debtor did not file counter inspite of granting several adjournments. By virtue of order dated 03.12.2020, the Tribunal forfeited the right of the Corporate Debtor to file counter and the matter was listed for arguments. The Counsel for the Corporate Debtor did not appear thereafter. Hence it can be understood that the Corporate Debtor does not have anything to submit in opposition to the contentions made by the Financial Creditor.
10. Hence I am of the considered view that it is a fit case to admit and order initiation of Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor. The Financial Creditor has suggested one name i.e., Mr.K.K.Balasubramanian (IBBI/IPA-001/IP-P-01544/2018-2019/12401) as Insolvency Resolution Professional (IRP).

ORDER

The Company Petition is admitted *ex parte*. The Corporate Insolvency Resolution Process of the Corporate Debtor shall commence from this date and shall be completed within 180 days hence.

- i. Mr.K.K.Balasubramanian (IBBI/IPA-001/IP-P-01544/2018-2019/12401), having office at B401 Ramaniyam Samarpann, 20th East Street, Kamaraj Nagar, Thiruvanmiyur, Chennai, Tamil Nadu-

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600041; e-mail: **kkbala2015@gmail.com**; Mobile: 9962003282 is appointed as the Interim Resolution Professional. No disciplinary proceeding is pending against him as per the IBBI website. He is directed to file his written consent in Form No. 2 forthwith.

- ii. He is directed to take charge of the Corporate Debtor's management forthwith and take necessary steps in furtherance of the CIRP in terms of Sections 13(2), 15, 17, 18 and 20 of Code and Rules made thereunder.
- iii. Moratorium in respect of the Corporate Debtor is hereby declared in terms of Section 14 of the Code.
- iv. The Directors, Promoters or any other person(s) associated with the management of Corporate Debtor shall extend all assistance and cooperation to the IRP as stipulated under section 19 of the Code for effectively discharging his functions under the Code.
- v. The Registry shall communicate the order to the Financial Creditor and the Corporate Debtor forthwith.
- vi. The Financial Creditor and the Registry shall send the copy of this order to IRP for necessary compliance.

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JUSTICE TELAPROLU RAJANI
MEMBER JUDICIAL

Swamy Naidu