



IN THE NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI BENCH, COURT IV

COMPANY PETITION (IB) 811 (ND) 2024

Order 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.

IN THE MATTER OF:

ALTITUDE FINVEST LIMITED

...Applicant/ Financial Creditor

Versus

CAUSIS E-MOBILITY PRIVATE LIMITED

...Respondent/ Corporate Debtor

Order Pronounced On: 11.08.2025

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM,

HON'BLE MEMBER (JUDICIAL)

SHRI ATUL CHATURVEDI,

HON'BLE MEMBER (TECHNICAL)

APPEARANCES:

For the Applicant : Ms. Daisy Hannah, Advocate.

ORDER

PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)

1. This is an Application filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code") by Altitude Finvest Limited, a Non-Banking Financial Company ("the Financial Creditor/Applicant") seeking initiation of Corporate Insolvency Resolution Process (CIRP) against Causis E-Mobility Private Limited ("the Corporate Debtor/ Respondent") on the ground that the Corporate Debtor had committed a default in payment of 1,14,97,186/-

CP IB-696(ND)/2022

Date of Order: 11.08.2025



(Rupees One Crore Fourteen Lakhs Ninety-Seven Thousand One Hundred Eighty-Six only). The date of default, as per Part IV of the Application is 19.07.2023.

2. The Corporate Debtor i.e., Causis E-Mobility Private Limited having CIN: U34102DL2021PTC381936 was incorporated on 04.06.2021 under the provisions of the Companies Act, 2013 and having its registered office situated at 416/7 & 8, First Floor, Opposite Karkarduma Metro Station, Delhi East, Delhi-110092. Since the registered office of the 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 Corporate Debtor under sub-section (1) of Section 60 of the Code.

3. SUBMISSIONS OF THE APPLICANT/FINANCIAL CREDITOR:

- i. It is the case of the Applicant that in January 2023, the Corporate Debtor, through its authorised representative had approached the Financial Creditor for grant of a loan advance of Rs. 55,00,000/- (Rupees Fifty Five Lakhs only), offering hypothecation of one bus, cash flow and other securities as a guarantee for repayment of the said amount and made application for grant of loan vide a loan application dated 16.01.2023.
- ii. On 18.01.2023, the Board of Directors of Corporate Debtor passed a board resolution granting their approval for obtaining loan of Rs.55,00,000/- from the Financial Creditor and authorising severally Mr. Ravi Kumar Panga, Director Mr. MS Chandrasekhar, Director Mr. Nareshkumar Panga, Director and Mr. Anavarathan Raj, Head Institutional Sales to sign and submit agreements etc. in respect of the aforesaid loan. It is pertinent to mention here that a certified copy of the aforesaid Board Resolution of Corporate Debtor was provided to the Financial Creditor.
- iii. On 20.01.2023, a communication (i.e., a Drawn Down Letter) was received by the Applicant from one Mr. Ravi Kumar Panga, Director of the Corporate Debtor, requesting for disbursal of the loan amount of Rs.55,00,000/-, "at the earliest", and for it to be credited to the debtor company's ICICI account at Panchsheel Park, New Delhi.



- v. On 19.01.2023, an In-principle approval was given by the Applicant-Financial Creditor to the Corporate Debtor in respect of the said loan amount.
- v. On 20.01.2023, a loan agreement was executed between the Applicant and the Corporate Debtor for an amount of Rs. 55,00,000/-. The said loan was covenanted to be in the nature of a "Senior Secured Loan" to accord it preferential treatment in repayment. The tenure of the loan was agreed to be for a period of six (6) months, to be calculated from the date of disbursement of the said loan amount. In other words, the date for repayment of the loan amount was supposed to be 19.07.2023.
- vi. On 20.01.2023, the Financial Creditor relied on terms of the Agreements and representation and warranties provided by the Financial Creditor, and thus disbursed the loan amount of Rs. 55,00,000/- to the bank account of the Corporate Debtor as per draw down letter.
- vii. In terms of Clause V of the agreement on 'Repayment', "the repayment of the loan was to be made by the Borrower to the Lender on last day of expiry of the Tenure".
- viii. In terms of Clause 2 (B) of the agreement, the borrower was supposed to pay an interest of 24% per annum on the principal loan amount.
- ix. In terms of Clause 2(C) of the agreement, the borrower was supposed to pay additional interest of 2% per month on the outstanding loan amount along with outstanding interest from the date of default till the date of payment for initial 30 days of default and thereafter 3% interest per month.
- x. The aforesaid loan was secured by the following securities executed by the Corporate Debtor:
 - a) A hypothecation deed of fully furnished 9.0 mts. Electric Bus Chassis along with all receivables, cash flows therefrom, etc.;
 - b) Post Dated Cheques of Interest and principal amount of loan for due payment of interest and principal amount on respective due dates. However, the post dated cheques had not been provided to the Financial Creditors. Instead of the same, Mr. Anavarathan Raj deposited original title documents of his flat No. A-502, Solitaire S&S Apartment, Mount Poonamalle Road, Porur,



Chennai 600114 with Financial Creditor vide letter dated 20/01/2023;

c) Personal Guarantees of Mr. Ravi Kumar Panga.

- xi.** To the utter shock of the Applicant/Financial Creditor, within a period of 10 days from execution of the loan agreement and transfer of the loan amount, a communication was received from one, Mr. Chandrshekhar, on 30.01.2023, in his capacity as the Director & Financial Controller of the Corporate Debtor, stating that the loan had been obtained without his approval and so requested for reversal of the transaction.
- xii.** On the next day itself, i.e., on 31.01.2023, the Applicant sent an email sharing its bank account details for repayment of the said loan by the Corporate Debtor. On the same day, one, Mr. Anavarathan Raj, an employee of the Corporate Debtor and attesting witness to the said loan agreement, wrote an email to the Applicant confirming that the said loan amount would be paid.
- xiii.** On 10.02.2023, Mr. Anavarathan Raj once again informed the Applicant that the principal amount would be cleared by Mr. Chandrashekhar, and confirmed that the interest and foreclosure charges had been paid to it.
- xiv.** Aggrieved by the failure of the Corporate Debtor to repay the said loan amount along with interest, Mr. Ravindra Gupta, Director of the Financial Creditor, vide a communication dated 18.04.2023, requested the Corporate Debtor / its Directors & representatives to repay the loan amount and in omission of which to face civil as well as criminal consequences.
- xv.** On 27.04.2023, Mr. Chandrashekhar, Director of Corporate Debtor, communicated inter-alia that he had assured for commencing of payment before 30th April but they were facing unexpected delays on their plan and hence, there was a delay in commencement of payments to Financial Creditor. Further, he informed that he was expected to be in position to confirm time lines for payments to Financial Creditor by Monday, 01.05.2023.
- xvi.** On 07.09.2023, the Financial Creditor sent a notice informing about the default committed by the Corporate Debtor for repayment of principal and interest amount thereon and requested for inspection of Hypothecated Assets. There was no response received from Corporate Debtor.



- ii.** It is submitted that even after issuing a series of demand notices and getting an assurance from the Corporate Debtor in a meeting held on 24.10.2023, there has been no compliance in this regard. The Applicant has exhausted all possible means of realising the outstanding due(s) from the Corporate Debtor and has not been successful by reason of the avoidance tactics used by the latter.
- xviii.** The Applicant has attached the following documents in order to prove the existence of financial debt, the amount due and date of default:
- a) A true copy of the loan application dated 16.01.2023.
 - b) A true copy of the communication dated 20.01.2023.
 - c) A true copy of the in-principle approval dated 19.01.2023.
 - d) A true copy of the loan agreement dated 20.01.2023.
 - e) A true copy of the Agreement of Hypothecation and Personal Guarantee dated 20.01.2023.
 - f) A true copy of the declaration dated 20.01.2023.
 - g) A true copy of the communication dated 30.01.2023.
 - h) A true copy of the communication dated 31.01.2023.
 - i) A true copy of the communication dated 10.02.2023.
 - j) A true copy of the communication dated 18.04.2023.
 - k) A true copy of the communication dated 27.04.2023.
 - l) A true copy of the email communications dated 23.08.2023 and 06.09.2023.
 - m) A true copy of the demand notice(s) dated 06.09.2023.
 - n) A true copy of the inspection notice dated 07.09.2023.
- xix.** It is submitted that upon satisfaction as to the existence of a financial debt and default, CIRP must be initiated in the interest of justice. Reliance was placed on ***Vidarbha Industries Power Ltd. v. Axis Bank [(2022) 8. SCC 352]***, which was noted and clarified by the Hon'ble Apex Court in ***M. Suresh Kumar Reddy v. Canara Bank & Ors. [(2023) 8 SCC 387]***, ***Innoventive Industries Ltd. v. ICICI Bank [(2018) 1 SCC 407]*** and ***E.S. Krishnamurthy v. Bharath Hi-Tech Builders (P) Ltd. [(2022) 8 SCC 352]***.
- xx.** It is submitted that the Corporate Debtor is engaged in the business of providing e-buses on maintenance and operating basis to Government



entities. One such contract is the one on-going with Kalyan Dombivali Municipal Transport Undertaking (KDMT) since financial year 2022-2023, to provide around 104 E-Buses on maintenance and operating basis. So far the Corporate Debtor has managed to provide KDMT around 12 buses, and 8 buses are in custody of a job-contractor whose bills are not paid by the Corporate Debtor. There is a huge delay in performances of KDMT contract and KDMT may terminate the contract in the event that the supply of buses as contracted for, is not fulfilled at the earliest.

- xxi.** Causis E-Mobility Private Limited ("Corporate Debtor") is having an issued and paid-up capital of Rs. 1,00,000/- only, whereas the liability of the corporate debtors would be more than Rs.80 crores. There are only two shareholders who hold 100% issued and paid-up capital of Corporate Debtor. However, the Corporate Debtor has not filed its financial statement and annual returns for the financial year 2022-23, 2023-24 and 2024-25 with the Registrar of Companies, Ministry of Corporate Affairs in compliance the Companies Act, 2013 which shows that there are serious issues of corporate governance and financial mis-management. The corporate debtor has received more than Rs.80 crores in the financial year 2022-23 from offshore entities as advances which prima-face appear as violation of FEMA guidelines. It appears from discussion with directors of the Corporate Debtors, that shareholders who are holding 100% issued and paid-up capital of the Corporate Debtors are not beneficiaries of these shares and they are holding on behalf of some other person.
 - xxii.** It is submitted that there is value for the business and assets of the Corporate Debtor which needs to be protected and maximised by initiation of the corporate insolvency resolution process of the CD.
 - xxiii.** The Applicant has also placed on record the Form-D Record of Default (RoD) issued by the National E-Governance Service Limited vide Affidavit dated 27.01.2025.
- 4.** In terms of order dated 24.02.2025, the Corporate Debtor was set ex-parte. The relevant portion of the order is reproduced herein below:



“Ld. Counsel for the applicant is present physically. No representation on behalf of the respondent despite repeated calls. The respondent called absent and set exparte.”

5. ANALYSIS AND FINDINGS:

- i.** We have heard the learned Counsel for the Applicant/Financial Creditor and have perused the records filed along with the Application.
- ii.** The present Application under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code") has been filed by the Financial Creditor on the ground that the Corporate Debtor has committed default in repayment of financial debt to the tune of ₹1,14,97,186/- (Rupees One Crore Fourteen Lakhs Ninety-Seven Thousand One Hundred Eighty-Six only), with the alleged date of default being 19.07.2023.
- iii.** As per Section 7(5) of the Code, the Adjudicating Authority must be satisfied that a "default" has occurred before admitting an application under Section 7. The burden lies on the Financial Creditor to demonstrate, by cogent documentary evidence, that a financial debt, as defined under Section 5(8) of the Code, has been disbursed and that the Corporate Debtor has committed default in its repayment.
- iv.** In the present case, the Applicant has relied primarily upon a loan agreement dated 20.01.2023, a series of communications between the Applicant and the Corporate Debtor, and other related correspondence. While the loan agreement and email correspondences may indicate that the parties had negotiated and agreed upon certain terms, such documentation by itself does not suffice to establish that disbursement of the loan, which actually took place, or that a default has occurred, unless substantiated by financial records.
- v.** It is pertinent to note that the Applicant has not produced any statement of account, bank transaction details, or entries from its own books of account to substantiate the alleged disbursement of Rs. 55,00,000/- to the Corporate Debtor. No bank statement evidencing credit of the said loan amount to the account of the Corporate Debtor has been furnished. Similarly, there are no entries in the balance sheets or other financial statements of either the



Financial Creditor or the Corporate Debtor to demonstrate acknowledgment of the loan or any liability thereunder.

- vi.** Additionally, the communications from the directors of the Corporate Debtor cannot override the lack of substantive documentary proof such as audited financials, books of accounts, or banking records.
- vii.** It is not sufficient for the Applicant to merely assert default; it must be demonstrated through primary financial records and in the absence thereof, the application fails to meet the threshold required under Section 7(5) of the Code.
- viii.** The cases relied upon by the Applicant do not support its case. These judgments emphasize the need for clear evidence of financial debt and default requirements that the Applicant has failed to meet, having not produced any bank statements, financial records, or books of account to prove disbursement or non-repayment.
- ix.** In view of the foregoing and considering the absence of any bank statement, financial statement, or independent documentary evidence of disbursement and default, this Tribunal is not satisfied that a financial debt is due and payable or that default within the meaning of Section 3(12) of the Code has occurred.
- x.** In view of the above discussion, the present Application does not satisfy the prerequisites of Section 7 under the Code and is liable to be **rejected**.
- xi.** Accordingly, the Application i.e. **CP (IB) 811 (ND) 2024** filed by the Applicant under Section 7 of the Insolvency and Bankruptcy Code, 2016 is **dismissed**.
No order as to costs.

-SD/-

ATUL CHATURVEDI
MEMBER (TECHNICAL)

-SD/-

MANNI SANKARIAH SHANMUGA SUNDARAM
MEMBER (JUDICIAL)