

**NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH**

CP (IB) - 4664/I&B/MB/2019

Under Section 7 of the I&B Code, 2016

In the matter of

Sanjay Ramkrishan Mantri

Plot No. 187, Sambhaji Nagar,
Jalna 431 203

.... Financial Creditor

Vs.

Rajit Rolling Mills Private Limited

D-16, Phase (I), Addi. MIDC,
Jalna 431 203

....Corporate Debtor

Order delivered on: 25.02.2020

Coram:

Hon'ble Shri Bhaskara Pantula Mohan, Member (J)
Hon'ble Shri Shyam Babu Gautam, Member (T)

Appearance:

For the Financial Creditor: Ms. Disha Ponda, Advocate
i/b AKR Advisors

For the Corporate Debtor: Mr. Sachin Narendra Agrawal,
Director, Party-in-person

Per: Shri Bhaskara Pantula Mohan, Member (Judicial)

ORDER

1. This is an application filed by Mr. Sanjay Ramkrishan Mantri (hereinafter called the 'Financial Creditor') seeking to set in motion the Corporate Insolvency Resolution Process of Rajit Rolling Mills Private Limited (hereinafter called the 'Corporate Debtor') 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 on the ground that the corporate debtor committed breach by making default in repaying of the loan amount borrowed from the financial creditor.
2. The financial creditor is an individual bearing PAN: ABPPM8467M whereas the corporate debtor is a company incorporated on

17/02/2012 and bearing CIN U27106MH2012PTC227127 and having Authorised Share Capital and Paid-Up Share Capital of Rs.50,00,000/-.

FACTS OF THE CASE:

3. The financial creditor had provided business loan to the corporate debtor amounting to Rs.38,00,000/- by an express loan agreement dated 30.03.2016 and an interest @0% p.a. was agreed between them. This Loan Agreement has been attached as Annexure-5 with the copy of petition. By this Loan Agreement, the repayment of the said loan was scheduled to be made on expiry of three years from the date of the making the last instalment of payment.
4. The total amount due and payable by the corporate debtor to the financial creditor amounts to Rs.38,00,000/-. The corporate debtor has also executed a promissory note dated 30.03.2016 in favour of the financial creditor wherein it was promised that the said amount was to be paid back on or before 18.03.2019. This promissory note has been enclosed with the copy of petition at Annexure-6. The date of default as mentioned by the counsel for the financial creditor is 19.03.2019.
5. The financial creditor has enclosed at Annexure-7, the letter dated 20.03.2019 which was sent by him to the corporate debtor for repayment of loan. To this notice, the corporate debtor had replied vide a letter dated 22.03.2019, which is attached as Annexure-8 of the copy of petition, wherein the said amount of debt has been acknowledged by it and an assurance has been given to repay the entire amount on or before 30.04.2019. When no payment was made by the corporate debtor, the financial creditor again by a letter dated 05.05.2019 which is at Annexure-9 of the petition wherein a reminder has been sent to the corporate debtor for repayment of loan. Vide this letter, the financial creditor has informed the corporate debtor that even after grant of further time of one month, no amount has been paid. He has also warned the corporate debtor about the legal actions which would initiate if the amount is not repaid. Again, to this letter, the corporate debtor replied by a letter dated 08.05.2019 which is at Annexure-10 of the copy of petition

wherein a further request for grant of time for the repayment of the loan amount till 30.05.2019 has been made. When again no payment was made even upon further extension of time, the financial creditor sent a letter dated 25.06.2019 which is attached at Annexure-11 of the copy of petition wherein the corporate debtor was informed about the legal action that is going to be initiated against it.

6. The counsel for the financial creditor has attached copies of Ledger accounts of the corporate debtor at Annexure-12 of the petition from which it is very clear that the amount is due and payable.
7. The Director of the corporate debtor Mr. Sachin Narendra Agrawal was present before this bench on the date of final hearing of this matter and has admitted the liability and default. He also stated that they have availed financial assistance from the financial creditor and now they are not in a position to repay the amounts advanced to them due to the ongoing financial crisis. The director also expressed his no objection to the admission of this petition and admitted the amount of debt which is due on the company. In view of the said facts and circumstances, we hereby pass the following order:

FINDINGS

8. We have heard the petitioner at length. We have also heard the director of the corporate debtor who appeared as a party-in-person before this bench. We have taken all their submissions into account and perused the documents and evidences placed on record. It is an undisputed fact that there was an express loan agreement dated 30.03.2016 entered into both the parties. According to this loan agreement, an amount of Rs.38,00,000/- was disbursed by the financial creditor to the corporate debtor. the financial creditor has placed on record the said loan agreement, the promissory note executed by the corporate debtor to prove the debt amount. We believe that it can be safely concluded that both the parties shared a creditor-debtor relationship.
9. The financial creditor has also placed on record the correspondences between the parties through their letters wherein the financial creditor had made requests to the corporate debtor for repayment of

the said loan amount to which the corporate debtor kept on making promises to repay the same. This also amounts to admission on the part of the corporate debtor.

10. Also, the director of the corporate debtor had admitted his liability in open court by stating that he had availed the said loan amount and now is not in a position to repay the same. He stated that he admits the amount claimed to be due and payable. He has also presented his no objection to the admission of this petition.
11. Therefore, it is to be noted that this petition fulfils all the requisite conditions to admit a petition under Section 7 of the Insolvency and Bankruptcy Code, 2016. The petitioner has successfully proved his case as well as admission on several occasions has been made on the part of the corporate debtor. Therefore, the petition deserves to be admitted.
12. This Adjudicating Authority, on perusal of the documents filed by the Creditor, is of the view that the corporate debtor defaulted in repaying the loan availed. In the light of above facts and circumstances, the existence of debt and default is reasonably established by the financial creditor as a major constituent for admission of a petition under section 7 of the I&B Code. Therefore, the Application under sub-section (2) of Section 7 is taken as complete, accordingly this Bench hereby admits this Petition prohibiting all of the following of item-I, namely:

- (I) (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 (SARFAESI Act);

- (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.
- (II) That the supply of essential goods or services to the corporate debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period.
- (III) That the provisions of sub-section (1) of Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- (IV) That the order of moratorium shall have effect from 25.02.2020 till the completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of corporate debtor under section 33, as the case may be.
- (V) That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.
- (VI) That this Bench hereby appoints, Mr. Arun Rajabhau Joshi, having office at 1st Floor, E Wing Bharat Bazar Complex, API Complex, Chikalthana MIDC, Aurangabad – 431 006 and having Registration No. IBBI/IPA-002/IP-N00350/2017-18/11000 as Interim Resolution Professional to carry the functions as mentioned under the Insolvency & Bankruptcy Code, 2016.

13. Accordingly, this Petition is admitted.

14. The Registry is hereby directed to communicate this order to both the parties and the Interim Resolution Professional immediately.

Sd/-
Shyam Babu Gautam
Member (Technical)

Sd/-
Bhaskara Pantula Mohan
Member (Judicial)

/SNEHA/