

NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH

PRESENT: HON'BLE SHRI K ANANTHA PADMANABHA SWAMY- MEMBER JUDICIAL

PRESENT: HON'BLE SHRI BINOD KUMAR SINHA -MEMBER TECHNICAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 15.10.2019 AT 10.30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	CP(IB) No. 388/9/HDB/2018
NAME OF THE COMPANY	Royaloak Steels Ltd
NAME OF THE PETITIONER(S)	Aadit Metal Trade Pvt Ltd
NAME OF THE RESPONDENT(S)	Royaloak Steels Ltd
UNDER SECTION	9 OF IBC

Counsel for Petitioner(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature
Mang Kumar Mishra	Adv/S		
Dr. R. P. Prasad (Joint Counsel)		9440231074	

Sarvan Desai
Counsel for Respondent(s):

Adv.


9963182052

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature
S. Raja Sekhar Sathya	Advocate	90220 8052	
M. V. Agalya	Adv.	898535621	

ORDER

Order pronounced in open court. CP admitted vide separate order.


MEMBER TECHNICAL


MEMBER JUDICIAL

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD**

CP (IB) No.388/9/HDB/2019

Under section 9 of the IB Code, 2016
Read with Rule 6 of the Insolvency and Bankruptcy
(Application to Adjudicating Authority) Rules, 2016

In the matter of
M/s. Royaloak Steels Private Limited.

M/s.Aadit Metal Trade Private Limited.
Regd. Office at #. Ground Floor, Building No.118/120,
Aridsher Dadi Street, V.P.Road, C.P.Tank,
Mumbai – 400 004.

...Petitioner/
Operational Creditor

Versus

M/s. Royaloak Steels Private Limited.
Regd. Office: 406 B, South East,
United Avenue Apartments, Ameerpet,
Hyderabad, Telangana – 500 038.

...Respondent/
Corporate Debtor

Order delivered on: 15.10.2019

Coram: Shri.K.ANANTHA PADMANABHA SWAMY, MEMBER JUDICIAL

Dr.BINOD KUMAR SINHA, MEMBER TECHNICAL

Parties/Counsel Present:

For the Petitioner/Operational Creditor:

Shri. Manoj Kumar Mishra, Counsel.

For the Respondent/Corporate Debtor:

Shri. Raja Shekar Rao Salvaji, Counsel.


15/10/19



PER: K.ANANTHA PADMANABHA SWAMY, MEMBER JUDICIAL

ORDER

1. Under consideration is a Company Petition filed by M/s.Aadit Metal Trade Private Limited (in short, 'Petitioner/Operational Creditor') against M/s. M/s. Royaloak Steels Private Limited (in short, 'Respondent/Corporate Debtor') under section 9 of the Insolvency and Bankruptcy Code 2016 (in short, I & B Code 2016) Read with Rule 6 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (for brevity, **'IB Rules 2016'**).
2. The Petitioner/Operational Creditor having its Regd. Office at Building No.118/120, Ground Floor, Aridsher Dadi Street, V.P.Road, C.P.Tank, Mumbai. The Respondent/Corporate Debtor is a Company registered under the Companies Act, 1956 having its Registered Office at 406 B, South East, United Avenue Apartments, Ameerpet, Hyderabad, Telangana and is engaged in the business of trading in steel products.
3. The learned counsel appearing on behalf of the Petitioner/OC submitted that the Respondent/Corporate Debtor approached the Petitioner/OC and requested for the supply of various steel products at certain agreed price. Accordingly, since the material was in stock with the Petitioner/OC the materials were supplied to the Respondent/CD and in total 48 invoices were raised for a value of ₹.5,34,13,303 (Rupees Five Crores Thirty Four Lakhs Thirteen Thousand Three Hundred and Three only) during the period from 09.02.2019 to 28.02.2019.





4. It is also submitted that the Respondent/CD has made the following payments to the Petitioner/OC amounting to an extent of ₹.1,45,00,000/- (Rupees One Crore Forty Five Lakhs Only) on various dates as detailed below;

S.No.	Date	Amount (in ₹)
1	18 th Feb, 2019	25,00,000/-
2	21 st Feb, 2019	20,00,000/-
3	06 th March, 2019	50,00,000/-
4	08 th March, 2019	50,00,000/-
	Total	1,45,00,000/-

5. It is submitted that, in this way an outstanding amount of Rs.3,89,13,303/- (Rupees Three Crore Eighty Nine Lakhs Thirteen Thousand Three Hundred and Three only) remained due from the Respondent/CD to the Petitioner/OC. The term of payment as per of invoices raised was immediate but the Petitioner/OC had agreed for a one-month term. Thus the payment of last invoice became due on 27th March, 2019.

6. It is further submitted that when the Petitioner/OC has requested for the payment of the due amount the Respondent/CD started avoiding the Petitioner/OC and even after a series of meetings by the Petitioner/OC with the Respondent/CD, the Respondent/CD is not willing to pay the due amount.

7. It is stated that, thereafter, the Petitioner/OC issued a notice in Form-3 to the Respondent/CD. The notice was duly received by the Respondent/CD on 18th May, 2019 for which they have neither replied nor disputed the same.

8. In order to prove the existence of debt and default on the part of the Respondent/CD, the Petitioner/Operational Creditor has submitted copies of several documents as stated below:

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- i. Copies of invoices from 09.02.2019 vide Invoice No.AMO523 to 28.02.2019 vide Invoice No.AMO593 (total 48 invoices).
 - ii. Ledger statement of Royaloak Steels Pvt. Ltd (Respondent/CD) in the book of Operational Creditor for the period of 01.04.2018 to 31.03.2019.
 - iii. Balance Confirmation on the ledger statement by the Respondent.
 - iv. Bank Statement of Operational Creditor from 01.11.2018 to 30.04.2019.
9. The Respondent/Corporate Debtor filed counter affidavit.
10. The Respondent in its counter affidavit submitted that the Respondent/CD is admitting the claim amount as made by the Petitioner/OC, but due to adverse economic conditions there has been delay in the payment due to the reasons beyond its control due to the slowing down of economy and huge delays in the collection of its receivables.
11. Heard both the parties. Perused the record and submissions.
12. After hearing submissions of the counsel for the Petitioner/Operational Creditor and having perused the record, this Adjudicating Authority is satisfied that the Petitioner by placing evidence has proved that default as stated in the petition has occurred, for which the Corporate Debtor was liable to pay. The Petitioner has also placed on record, proof of sending notices and other material papers. The Petitioner has complied with all the requirements as stipulated under the provisions of the IB Code, 2016 for the purpose of initiating Corporate

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Insolvency Resolution Process. In these circumstances, this Adjudicating Authority is inclined to admit the instant Petition.

13. The instant petition is hereby admitted and this Adjudicating Authority orders the commencement of the Corporate Insolvency Resolution Process which shall ordinarily get completed within the timelines stipulated in the IB Code, 2016 (as amended), reckoning from the day this order is passed.
14. This Adjudicating Authority hereby appoints Mr.Raj Kumar Mahto as Interim Resolution Professional (IRP) as his name is proposed by the Operational Creditor and his name is reflected in IBBI website. He has also filed his written consent in Form-2. The IRP is directed to take charge of the Respondent/Corporate Debtor's management immediately. He is also directed to cause public announcement as prescribed under Section 15 of the I&B Code, 2016 within three days from the date the copy of this order is received, and call for submissions of claim in the manner as prescribed.
15. The moratorium is hereby declared which shall have effect from the date of this Order till the completion of Corporate Insolvency Resolution Process, for the purposes referred to in Section 14 of the I& B Code, 2016. It is hereby ordered to prohibit all of the following, namely:-
 - 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.*

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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 (54 of 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.*

16. However, the supply of essential goods or services of the Corporate Debtor shall not be terminated or suspended or interrupted during moratorium period. Further, the provision of Sub-section (1) of Section 14 shall not apply to such transaction, as notified by the Central Government.
17. The IRP shall comply with the provisions of Sections 13 (2), 15, 17, & 18 of the Code. The directors of the Corporate Debtor, its promoters or any person associated with the management of the Corporate Debtor is expected to extend all assistance and cooperation to the IRP as stipulated under Section 19 and for discharging his function under Section 20 of the I & B Code, 2016.
18. The Operational Creditor and the Registry are directed to send the copy of this Order to IRP so that he could take charge of the Corporate Debtor's assets etc., and make compliance with this Order as per the provisions of I & B Code, 2016.

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19. The Registry is directed to communicate this Order to the Operational Creditor and the Corporate Debtor.

20. The detailed address of the IRP is as follows :-

Mr. Raj Kumar Mahto


IP. Reg. No: IBBI/IPA-002/IP-N00723/2018-2019/12209.

Mail: mahraj कुमार@gmail.com

Mobile: +91-7709266764.

21. The present Petition bearing CP (IB) No.388/9/HDB/2019 is hereby admitted.


Dr. BINOD KUMAR SINHA
MEMBER TECHNICAL
15.10.19


K. ANANTHA PADMANABHA SWAMY
MEMBER JUDICIAL

SRAVAN.K.