



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD**

**COURT - II**

**CP (IB) 148/NCLT/AHM/2022**

(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:**

**RAJKOT NAGARIK SAHAKARI  
BANK LIMITED**

**APPLICANT/  
FINANCIAL CREDITOR**

**Versus**

**RAMDEV PVC PRODUCT PVT. LTD.**

**RESPONDENT/  
CORPORATE DEBTOR**

**Order Pronounced on: 07/02/2023**

**CORAM:**

**DR. DEEPTI MUKESH  
HON'BLE MEMBER (JUDICIAL)  
AJAI DAS MEHROTRA  
HON'BLE MEMBER (TECHNICAL)**



**MEMO OF PARTIES**

**Rajkot Nagrik Sahakari Bank Limited**

Regd. Office & Head Office

Arvinbhai Maniar Nagarik Sevalay

150 Feet Ring Road

Nr. Raiya Circle

Rajkot

Gujarat State

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**Applicant/Financial Creditor**

**Versus**

**Ramdev PVC Product Private Limited**

Survey No. 736-737,

Village Tarsadi

Taluka Mangrol

Dist. Surat

Gujarat 394 410

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**Respondent/Corporate Debtor**

**Appearance:**

For the Applicant : Ms. Nupoor Dalal, Advocate

For the Respondent : None



## **ORDER**

1. The Present Application is filed on 21.06.2022 under section 7 of Insolvency and Bankruptcy Code, 2016 (for brevity 'IBC, 2016') read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (for brevity 'the Rules') by **Rajkot Nagrik Sahakari Bank Limited** through Mr. Viren Vikrambhai Abhani (for brevity 'Applicant'), authorised by Board Resolution dated 19.02.2022 annexed to the application, with a prayer to initiate the Corporate Insolvency process against **Ramdev PVC Product Private Limited** (for brevity 'Corporate Debtor').
2. The applicant is a multi-state cooperative bank constituted under the provisions of Section 9 of the Multi-state Co-operative Societies Act, 1984 (51 of 1984) having its registered office and recovery department at Arvindbhai Maniyar Nagarik Sevalay, 150 ft. Ring Road, Near Raiya Circle, Rajkot 360 005. The bank is having a branch at Opp. Kinnari Cinema, Near Super Text Tower, Ring Road, Surat 395 002. The applicant is in the banking business providing various types of financial facilities including business loans, personal loans, consumer loans, loan against property, home equity loans, term loan etc. within the meaning of Banking Regulation Act, 1959.



3. The corporate debtor is a private limited company, incorporated under the provisions of The Companies Act, 1956 on 30.09.2013, duly registered with Registrar of Companies, Ahmedabad with CIN: U25111GJ2013PTC077004 and having registered office at Survey No. 736-737, Village Tarsadi, Taluka Mangrol, Dist. Surat, Gujarat State. The Authorized share capital of the Respondent is Rs. 2,00,00,000/- and paid up share capital of the company is Rs. 1,68,69,920/-. The respondent company is engaged in the business of manufacturing of PVC pipes, flexible PVC pipes and rigid PVC pipes.
  
4. It is submitted by the applicant that corporate debtor approached the bank for term loan for machinery and other business activities and after verifying the projections supplied by the corporate debtor, machinery term loan limits for an amount of Rs. 4,60,00,000/- was sanctioned on 13.10.2017. In terms of the said loan sanction, hypothecation agreement was executed on 13.10.2017 by the directors of corporate debtor. Details of the movable/immovable properties offered in security, copy of promissory note and copy of equitable mortgage are annexed with the application. The corporate debtor had accepted and confirmed to comply with all other terms and conditions



as referred into in the documents and, various undertakings were signed by corporate debtor, guarantors and mortgagors. Despite giving opportunities, directors and guarantors of the corporate debtor failed to make repayment of the term loan, therefore, loan account of the corporate debtor was classified as NPA on 30.11.2019 in accordance with the guidelines issued by RBI. The corporate debtor was served with letters for regularisation of the account, however, the corporate debtor failed to repay its dues. Various meetings were held with the higher authorities of the applicant bank, wherein the corporate debtor had made representation that due to demonetisation, the corporate debtor could not pay of its outstanding debt. Consequent to default committed by the corporate debtor in repayment of principal debt and interest thereon, the applicant had served recall notice dated 18.12.2019 under Section 13 (2) of the SARFAESI Act calling upon the corporate debtor to pay a sum of Rs. 4,20,68,221/- which includes interest claim of Rs. 8,37,495/- together with further interest. However, the corporate debtor failed to repay the dues within the statutory period as per Section 13 (2) of the SARFAESI Act. Copy of the notice is annexed with the application. Thereafter, on 31.08.2020, the applicant had taken symbolic possession of the properties of the corporate debtor mortgaged to the applicant.



5. The applicant further submits that for taking possession of secured assets under Section 14 of the SARFAESI Act, applicant has filed an application before the District Magistrate/Metropolitan Magistrate, Surat, which is pending. An amount of Rs. 70,79,379/- has been paid by the corporate debtor from the date of classifying the account as NPA. Principal amount of Rs. 4,71,53,619/- along with Rs. 1,27,04,271/- towards interest and other expenses is due and unpaid by the corporate debtor as on 31.03.2022. The corporate debtor is not financially stable and owes huge amounts to other financial/operational creditors also. The corporate debtor has become insolvent and is unable to pay its outstanding debt, therefore, it would be in the fitness of things to initiate CIRP process against the corporate debtor.
6. Despite giving opportunities, the corporate debtor failed to file reply, therefore, vide order dated 13.12.2022, corporate debtor was proceeded ex-parte.
7. In compliance of order dated 30.09.2022, the applicant filed service affidavit stating that the notice along with annexures have been sent through e-mail and through Registered AD post on 13.08.2022 and submitted track consignment report evidencing that the item was



delivered on 17.08.2022 at the registered address available at MCA portal.

8. As per Form 1, part IV, the corporate debtor is in default of Rs. 4,71,53,619/- towards principal, Rs. 1,27,04,271/- towards interest and other expenses. Date of default is 30.11.2019 as mentioned in form V part IV. The present application is filed on 30.06.2022 and therefore, this application is within limitation.
9. The registered office of the corporate debtor is situated in Surat, Gujarat State and, therefore, this Tribunal has jurisdiction to entertain and try this application.
10. Heard the submissions and perused the documents on record. From the facts of this case it is evident that the debt is due and payable and default has occurred. The application is within limitation and not barred by law. The present application is complete in terms of Section 7 (5) of the Code. The applicant is entitled to claim its dues, establishing the default in payment of the financial debt beyond doubt. Further, inspite of service of this application, the corporate debtor has neither appeared nor filed any reply to object the application which amounts to deemed admission of the contentions of



the applicant. In light of the above facts the present application is admitted and CIRP is ordered to be initiated against corporate debtor.

11. The applicant has proposed the name of Mr. Keyur Jagdishbhai Shah as Insolvency Resolution Professional, who is hereby appointed as IRP of corporate debtor having registration number IBBI/IPA-002/IP-N-00244/2017-18/10729 having office at 1007, Sun Avenue One, Near Shreyas Foundation, Manekbaug Society, Ambawadi, Ahmedabad 380 015, Gujarat State, subject to the condition that no disciplinary proceedings are pending against him. Specific consent of the IRP in Form 2 along with disclosures as required under IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 is filed, which is on record.
  
12. We direct the Financial Creditor to deposit a sum of Rs. 2.00 lacs (Rupees two lacs only) with the Interim Resolution Professional, namely Mr. Keyur Jgdishbhai Shah to meet the expenses for performing functions assigned to him in accordance with regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The needful shall be done within one week from the date of receipt of this order by the



Financial Creditor. The amount however be subject to adjustment by the Committee of Creditors, as accounted for by Interim Resolution Professional, and shall be paid back to the Financial Creditor.

13. As a consequence of the application being admitted in terms of Section 7(5) of IBC, 2016, moratorium as envisaged under the provisions of Section 14 (1) shall follow in relation to the Corporate debtor, prohibiting actions as per clauses (a) to (d) of Section 14 (1) of the Code. However, during the pendency of the moratorium period, terms of Section 14(2) to 14(4) of the Code shall remain in force.
  
14. A copy of the order shall be communicated to the applicant, IRP and the corporate debtor. A copy of order along with complete copy of application be served to IRP by the applicant within 7 days of order. In addition, a copy of the order shall also be forwarded to IBBI for its records and taking steps for updating the Master Data of the corporate debtor in MCA portal and forward the compliance report to the Registrar, NCLT.

Sd/

Sd/-

**AJAI DAS MEHROTRA**  
**MEMBER (TECHNICAL)**

**DR. DEEPTI MUKESH**  
**MEMBER (JUDICIAL)**



*Nair/Rahul LRA*