

**IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COURT III**

C.P. No. 3352/IBC/MB/2019

Under Section 9 of the Insolvency and
Bankruptcy Code, 2016 read with
Rule 6 of the Insolvency and
Bankruptcy (Application to
Adjudication Authority) Rule 2016)

In the matter of

Regency Ispat Pvt. Ltd.

Having registered office at: 303,
Shree Krishna Commercial Centre, 6
Udyog Nagar, Goregaon West-
400062

.....Operational Creditor

Vs

Vijay Citispace Pvt. Ltd.

(CIN: U45202MH2009PTC196272)
Registered office at: 205, Marine
Chambers, 43, New Marine Lines,
Mumbai 40020

.....Corporate Debtor

Order delivered on: 20.07.2021

Coram:

Hon'ble Shri H.V. Subba Rao, Member (Judicial)

Hon'ble Shri Chandra Bhan Singh, Member (Technical)

For the Applicant: Mr. Niraj Shah a/w Angad Singh, Advocate

For the Respondent: None appeared

Per: Shri H.V. Subba Rao, Member (Judicial)

ORDER

1. This Company petition is filed by *Regency Ispat Pvt. Ltd.* (hereinafter called “Operational Creditor”) seeking to initiate Corporate Insolvency Resolution Process (CIRP) against *Vijay Citispace Pvt. Ltd.* (hereinafter called “Corporate Debtor”) alleging that the Corporate debtor committed default in making payment to the Operational Creditor. This petition has been filed by invoking the provisions of Section 8 and 9 Insolvency and bankruptcy code (hereinafter called “Code”) read with Rule 6 of Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016.
2. The present petition is filed before this Adjudicating Authority on the ground that the Corporate Debtor failed to make payment of a sum of Rs. 69,58,475.00/- along with interest at the rate of 24% per annum.
3. The brief facts of the Operational Creditor are as follows:-
 - i. As per the orders, the Operational Creditor sold, supplied and delivered to the Respondent various goods/items as required and raised necessary invoice in respect thereof.
 - ii. As per the terms of invoice, interest @ 24% per annum was to be paid in case of payments after due date i.e. after credit of 30 days. The said interest is in lieu of the business opportunity lost/purchase discounts lost on account of non-availability of funds resulting due to default in payment by the Respondent.
 - iii. The Operational Creditor states that till date Respondent has not raised any dispute with regard to

- quality, quantity or rates of the goods or complaint of any nature in spite of receipt of the aforesaid goods and the Invoices including the interest.
- iv. In part discharge of the liability, the Respondent had issued 3 cheques being cheque nos. 000613, 000614, 000615 dated 04.01.2019, 08.01.2019 and 11.01.2019 respectively, for totalling of Rs. 72,20,356.00 and the same was dishonoured with remarks "Funds Insufficient" vide memos, all dated 17.01.2019. After the said dishonour of the cheque, the Respondent paid a part payment of Rs. 20.00 lakhs to the Operational Creditor.
 - v. The Operational Creditor has maintained running ledger account, and the Respondent is liable to pay a sum of Rs. 69,58,475.00 (including interest) and along with pending interest as due an payable to the operational creditor.
 - vi. Further, the Operational Creditor also issued Insolvency notice, dated 16.02.2019 to the Respondent, and is thus indebted to the Operational Creditor to an extent of amount of Rs. 70,46,503.00 (Rs. 52,20,356.00, being the outstanding amount to be received + Rs. 18,26,147.00, being Interest calculated @ 24% per annum till 09.02.2019).
 - vii. After receipt of notice, the Respondent has made part payment of Rs. 88,028.00 on 28.06.2019, and the same was given credit and adjusted towards the interest. Thereafter, the Respondent has not made any payment from 29.06.2019 till the date of filing this petition.

FINDINGS

1. The Corporate Debtor having engaged Mr. Arun K. Rajput, advocate to defend in the above case did not chose to file any reply opposing the above Company Petition and therefore the claim of the applicant remained un-challenged.
2. Therefore, there are no valid grounds warranting the rejection of the above Company Petition as the debt and default are clearly established and the debt is also within limitation. Thus, the present Company Petition satisfies all the necessary requirement for admission.
3. Under these circumstances, this tribunal is of the considered opinion that the above company petition is liable to be admitted and accordingly the same is admitted by passing the following:

ORDER

1. The above Company Petition No. (IB) - 3352(MB)/2019 is hereby allowed and initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against Vijay Citispace Pvt. Ltd.
2. Since the Operational Creditor has not suggested the name of IRP to perform the duties of the Interim Resolution Professional (IRP) in the petition, this Bench is appointing the IRP from the list furnished by the Insolvency and Bankruptcy Board of India (IBBI). This Bench hereby appoints **Mr. Ashish Vyas** (ashishvyas2006@gmail.com), Insolvency Professional, Registration No: IBBI/IPA-001/IP-P-01520/2018-2019/12267 as the interim resolution

professional to carry out the functions as mentioned under the Insolvency & Bankruptcy Code, 2016.

3. The Operational Creditor shall deposit an amount of Rs.2 Lakh towards the initial CIRP cost by way of a Demand Draft drawn in favour of the Interim Resolution Professional appointed herein, immediately upon communication of this Order.
4. That this Bench hereby prohibits 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; transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein; 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 Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.
5. 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.
6. 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.

7. That the order of moratorium shall have effect from the date of pronouncement of this order 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.
8. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.
9. During the CIRP period, the management of the corporate debtor will vest in the IRP/RP. The suspended directors and employees of the corporate debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP.
10. Registry shall send a copy of this order to the Registrar of Companies, Mumbai, for updating the Master Data of the Corporate Debtor.

Accordingly, this Petition is admitted.

The Registry is hereby directed to communicate this order to both the parties and to IRP immediately.

Sd/-

CHANDRA BHAN SINGH
MEMBER (TECHNICAL)

Sd/-

H.V. SUBBA RAO
MEMBER (JUDICIAL)