



November 07, 2023

To  
Corporate Relationship Department  
**BSE Limited**  
P.J. Tower,  
Dalal Street, Fort,  
Mumbai – 400 001,  
Maharashtra, India.

To  
Listing Compliances  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra – Kurla Complex, Bandra (East),  
Mumbai – 400051,  
Maharashtra, India.

**Scrip Code: 524324**

**Symbol: SEYAIND**

**Dear Sir / Madam,**

**Subject: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – material developments**

This is to inform that the Hon'ble National Company Law Tribunal, Mumbai ("NCLT") vide an order dated November 2, 2023 (order copy received on November 7, 2023) passed in CP (IB) 446 MB of 2023, being a petition under section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC") filed by M/s Think Hard India Pvt. Ltd. against the company, has initiated Corporate Insolvency Resolution Process against the Company w.e.f. the date of the said order. Mr. Bhavesh Rathod, Registration no. IP/P-01200, has been appointed as the Interim Resolution Professional and a moratorium u/s 14 of the IBC has been ordered against the company from the date of pronouncement of the order (i.e., November 2, 2023), by the NCLT. Copy of said order dated November 2, 2023, is enclosed herewith.

The promoters are in the process of contesting the aforesaid order of admission of the petition.

Kindly take the aforesaid on record.

Thanking you.

Yours sincerely,

For **Seya Industries Limited**

  
**Manisha Solanki**  
**Company Secretary**

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**MUMBAI BENCH, COURT-V**

**CP(IB) 446 MB 2023**

Under section 7 of the Insolvency and  
Bankruptcy Code, 2016

**IN THE MATTER OF**

**Think Hard India Private Limited**

611, Reliable Business Centre, Anand  
Nagar, Jogeshwari (West), Mumbai –  
400102.

**... Financial Creditor**

V/s.

**Seya Industries Limited**

T-14, Tarapur Industrial Area, MIDC  
Boisar, District- Palghar, Mumbai-  
401506.

**... Corporate Debtor**

**Order delivered on :- 02.11.2023**

**Coram:**

**Hon'ble Shri Kuldip Kumar Kareer, Member (Judicial)**

**Hon'ble Smt. Anuradha Sanjay Bhatia, Member (Technical)**

***Appearances:***

For the Financial Creditor	: Adv. Shyam Kapadia a/w Adv. Nishant Rana
For the Corporate Debtor	: Adv. Rajeev Ravi

**ORDER**

***Per: - Kuldip Kumar Kareer, Member (Judicial)***

1. This Company petition is filed by Think Hard India Private Limited (hereinafter called "**the Petitioner**") seeking to

initiate Corporate Insolvency Resolution Process (**CIRP**) against Seya Industries Limited (hereinafter called "**Corporate Debtor**") alleging that the Corporate debtor committed default in making payment to the Petitioner. This petition has been filed by invoking the provisions of Section 7 Insolvency and bankruptcy code, 2016 (hereinafter called "**Code**") on the ground that the Corporate Debtor has failed to make payment of a sum of Rs. 432,86,16,798/-.

**The submissions by the Financial Creditor: -**

2. The Financial Creditor sanctioned business loan of Rs. 152,00,00,000/- pursuant to Sanction Letter dated 09.10.2019. The said loan was disbursed to the Corporate Debtor on 06.01.2020. The aggregate outstanding amount of Rs. 432,86,16,798/- as on 30.04.2023 is due and payable by the Corporate Debtor to the Financial Creditor.
3. The aforesaid facilities are, inter alia, secured by the following financing document:
  - i. Mortgage by the Borrower of land admeasuring in aggregate approximately 61,760 sq. meters or thereabouts, MIDC Industrial Area, Tarapur, Village: Salwad, Taluka & District Palghar – 401506 on the terms and conditions contained in the Mortgage Deed dated 21.01.2020.
  - ii. Deed of Personal and Corporate Guarantees all dated 27.07.2020 executed by the Security Providers, respectively, in favour the Financial

Creditor, in compliance with the Financial Creditor's letter dated 20.07.2020.

iii. Demand Promissory Note dated 06.01.2020.

4. In or around April 2022, the Borrower started defaulting on its payment obligations against the said Facility as stipulated under the Loan Agreement. Despite several reminders by the Financial Creditor, the Corporate Debtor failed to regularize the loan account and further neglected to clear the outstanding due and payable to the Financial Creditor. Consequent upon occurrence of events of default, the Financial Creditor issued an Event of Default Notice dated 15.09.2022 to the Corporate Debtor and also asked for recall of entire loan amount within 15 days of the said Even of Default Notice. Accordingly, the date of default is 15.09.2022 and the date on which the debt became due is 30.09.2022.
5. The Financial Creditor also issued separate statutory Demand Notices on 15.09.2022, in Form B under Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process of Personal Guarantors to Corporate Debtor) Rules, 2019 to the security providers who had provided personal guarantees and invocation of guarantee notices to the security providers who had provided Corporate Guarantee in favor of the Financial Creditor, calling upon them to pay the total aggregate Loan amount outstanding as on 15.09.2022.

6. The Financial Creditor, as no payment of the outstanding amount was received from the Corporate Debtor and/or the Security Providers, filed Company Petition No. 1265 of 2022 and Company Petition No. 1266 of 2022 under Section 95 of the Insolvency and Bankruptcy Code, 2016 before the NCLT, Mumbai Bench against two of the Guarantors.
7. Pursuant thereto, upon failure of the Corporate Debtor and the Personal Guarantors to pay the outstanding dues to the Financial Creditor, the Petitioner/Financial Creditor addressed an additional Demand Notice to the Corporate Debtor dated 19.04.2023 for the outstanding debt in accordance with the relevant provisions and the same was received by them on 20.04.2023. Despite receipt of the Notice, the Corporate Debtor has failed, refused and neglected in making payment and hence the Financial Creditor has initiated the present Petition against the Corporate Debtor in the instant matter. Hence the present Company Petition.

**The Reply filed by the Corporate Debtor:-**

8. The Corporate Debtor submitted that the present Petition is unwarranted, tainted with malafide motives and deserve to be dismissed in limine. It is submitted that the Petitioner ought to have approached this Tribunal with clean hands and correctly placed all the material facts and documents before this Tribunal, which, as explained in detail hereinafter, the Petitioner has deliberately and mischievously failed to do. The Plaintiff is guilty of

*suppressio veri* and *suggestio falsi* and the present Petition ought to be dismissed on this ground alone.

9. In the present case, it can be seen that the board Resolution annexed at page no. 17 of the Petition is completely defective and lacking in material particulars and it cannot be said to be a resolution authorizing the initiation of CIRP and/or permitting the concerned person to appoint an Interim Resolution Professional.
10. The Corporate Debtor was under CIRP from 03.08.2021 to 18.04.2023. It is submitted that vide order dated 03.08.2021 passed by this Tribunal in CP No. 606 of 2020 and the CP was admitted, moratorium was ordered and the CIRP commenced against the Corporate Debtor. Since the Corporate Debtor settled the dispute with the Petitioner in the said CP, the IRP appointed in the said proceedings filed IA No. 1853 of 2021 u/s 12A of the IB Code, 2016, and by an order dated 18.04.2023 passed therein, this Tribunal was pleased to close the proceedings in CP No. 606 of 2021 and the Corporate Debtor was thus out of CIRP on 18.04.2023. It is submitted that the balance confirmation letter dated 03.04.2023 was purportedly issued during CIRP by the company and not the IRP and thus the same is not valid in law. It is thus submitted that the same cannot be relied upon and treated as admission by the Corporate Debtor. It is further submitted that the Financial Creditor appears to have recalled the loan during CIRP period, which could not have been done in view of the moratorium order and thus the same is also invalid.

11. Further, the Financial Creditor has failed to appreciate that the proceedings under IBC are not recovery proceedings. Furthermore, proceedings under the IB Code can be commenced and/or continued only upon satisfaction of the various provisions and requirements set out under the IB Code, which inter alia require that there should be in existence a legal, valid and subsisting financial debt. In the facts and circumstances of the present case, it is evident that there is no financial debt.
12. The Petitioner filed rejoinder reiterating the averments made in the Petition and controverting those made in the written reply.

**Findings:-**

13. We have heard Counsel for the parties and gone through the records.
14. During the course of the argument the only contention raised by the Counsel for the Respondent is that the Corporate Debtor remained in CIRP from 03.08.2021 to 18.04.2023 in pursuance of the order passed in CP(IB) 606 of 2020. The Counsel for the Respondent has further contended that the balance confirmation letter dated 03.04.2023, which has been relied upon by the Petitioner, was not signed by the IRP appointed during the CIRP of the Corporate Debtor. That being so, the balance confirmation letter dated 03.04.2023 cannot be relied upon and on this ground, the Petition deserves to be dismissed.

15. The Counsel for the Respondent has further argued that the proceedings under the IB Code, 2016 cannot be utilized as recovery proceedings and further that the issues involved in the present Petition cannot be decided in summary proceedings.
16. We have considered the contentions raised by the Counsel for the Respondent but have found the same to be untenable. In this case, the Financial Creditor agreed to grant a business loan of Rs. 152 crores vide sanction letter dated 09.10.2019. In this regard, loan agreement dated 06.01.2020 was executed between the parties. The Corporate Debtor further executed demand promissory note dated 06.01.2020 in favour of the Financial Creditor. The Corporate Debtor further executed mortgage deed dated 21.01.2020. As the Corporate Debtor committed default in payment of interest of Rs. 4,87,04,446/- as on 15.09.2022, the Financial Creditor issued notice dated 15.09.2022 calling upon the Corporate Debtor to repay the entire loan amount for having violated clause 1.9 of the loan agreement dated 06.01.2020.
17. The Corporate Debtor executed acknowledgment of debt on 31.03.2023 which is annexed as Exhibit L with the Petition. It has been claimed that since the Corporate Debtor was in CIRP on 03.04.2023, the acknowledgment executed by the Corporate Debtor cannot be treated to be a valid acknowledgment as ideally it should have been executed by the IRP whereas it is shown to have been signed by some authorized signatory of the Corporate Debtor. We do not find any force in this contention. Firstly, it has not been shown that the balance confirmation letter dated 03.04.2023 was signed by one of the Suspended Director of

the Corporate Debtor. It cannot be disputed that during the CIRP period, except the directors, all other employees continue and therefore any act done by them cannot be said to be totally illegal null or void.

18. Secondly, even if the balance confirmation letter dated 03.04.2023 is not taken into consideration, even then the present Petition is well within the period of limitation. The loan in this case was granted on 06.01.2020. As per the loan agreement dated 06.01.2022, the loan was repayable at the end of 10 years. However, the Corporate Debtor committed default in respect of payment of interest with effect from April 2022 with the result that the demand notice recalling the loan was issued by the Financial Creditor on 15.09.2022. Thus, the default took place firstly, in April 2022 and thereafter, on 30.09.2022 when the repayment was not made despite notice. Therefore, the Petition is well within the period of limitation even if the balance confirmation letter dated 03.04.2023 is not taken into consideration.
19. No other points have been raised. Even otherwise from the documents placed on record by the Financial Creditor execution of which have not been disputed by the Corporate Debtor, the existence of Financial Debt and its default have been established on record and further that the Petition has been filed well within the period of limitation.
20. As a sequel to the above discussion, we find the present Petition to be a fit case for admission u/s 7 of the Code, 2016 and the same is accordingly admitted in the following terms:

**ORDER**

- a. **The above Company Petition No. (IB) -446 (MB)/2023 is hereby admitted** and initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against **Seya Industries Limited.**
- b. This Bench hereby appoints Mr. Bhavesh Rathod, Registration No: IP/P-01200 as the Interim Resolution Professional email :- [info.cabhavesh@gmail.com](mailto:info.cabhavesh@gmail.com) and address at 12D, A wing, White Spring, Rivali Park Complex, Western Express Highway, Borivali East, Mumbai - 400066, to carry out the functions as mentioned under the Insolvency & Bankruptcy Code, 2016.
- c. The Financial Creditor shall deposit an amount of Rs. 3 Lakhs 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.
- d. 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 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.

- e. 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.
- f. 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.
- g. 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.

- h. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.
- i. 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.
- j. Registry shall send a copy of this order to the concerned Registrar of Companies 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/-**  
**ANURADHA SANJAY BHATIA**  
**Member (Technical)**

**Sd/-**  
**KULDIP KUMAR KAREER**  
**Member (Judicial)**