

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH**

CP. No. 1267/I&BP/2017

Under Section 7 of the I&B Code, 2016
In the matter of

Punjab National Bank,
Asset Recovery Management Branch,
PNB House, Kingsway,
Nagpur - 440001

.... Petitioner

Vs.

Linkson International Ltd.
4th floor, Poonam Plaza,
Palm Road, Civil Lanes,
Nagpur - 440001

.... Respondent

Order delivered on : 06.10.2017

Coram:

Hon'ble Mr. B.S.V. Prakash Kumar, Member (J)

Hon'ble Mr. V. Nallasenapathy, Member (T)

For the Petitioner: Mr. Pankaj Vijayan, Adv. for Petitioner

For the Respondent: None present.

ORDER

Per V. Nallasenapathy, Member (T)

1. Punjab National Bank (hereinafter called 'PNB') has sought the Corporate Insolvency Resolution Process of Linkson International Ltd. (hereinafter called the 'Corporate Debtor') on the ground, that the Corporate Debtor committed default on 30.9.2014 in repayment of ₹106,97,69,127.76 (INR One hundred and Six crores Ninety Seven lakhs Sixty Nine thousand One hundred and Twenty Seven and Paise Seventy Six only), under Section 7 of Insolvency and Bankruptcy Code, 2016 (hereafter called the 'Code') read with Rule 4 of the

Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

2. This petition was filed on 01.08.2017, listed on 09.08.2017, 21.08.2017, 08.09.2017 and 14.9.2017 for want of effecting service upon the Corporate Debtor, finally on 18.09.2017, when the Corporate Debtor did not appear despite service effected against it, this Bench set the Corporate Debtor ex-parte for its non-appearance and decided the case basing on the facts available on record.

3. This petition reveals that the corporate debtor was enjoying credit facilities from the PNB right from 2007 onwards and on 29.09.2011 PNB pursuant to the application of the corporate debtor dated 20.05.2011, sanctioned Fund based Working Capital limit of ₹37.50 crores, Non-Fund based limit of ₹20 Crores, term loan of ₹15 Crores for which the corporate debtor executed a term loan agreement on 16.01.2009, in all to the extent of total limit of ₹72.50 Crores to the corporate debtor. The copy of the said sanction letter and also the previous sanction letters right from 23.8.2007 were enclosed. The Corporate Debtor duly acknowledged the sanction of loan on 10.04.2014 and conveyed their unconditional acceptance of the facilities as per terms and conditions stated therein. The PNB has enclosed various security documents such as Demand Promissory Notes, hypothecation of moveable asset, agreement of guarantee letter of accepting the terms of sanction etc. in respect of the facilities sanctioned. The PNB has also enclosed statement of accounts showing a balance due of ₹106,97,69,127.76 as on 30.6.2017.

4. PNB says that the above facilities provided to the Corporate Debtor was collaterally secured by 27 items of immoveable properties belonging to the corporate debtor, third parties and its sister concerns by way of deposit of Title Deeds. The term loan sanctioned on 19.01.2009 to the extent of Rs.15.00 Crores was secured by hypothecation of plant and machinery. A Recovery suit was filed before Debt Recovery Tribunal, Nagpur and the same is pending.
5. PNB had issued a notice on 11.11.2014 u/s. 13(2) of the Securitization and Reconstruction Financial Asset and Enforcement of Security Interest Act, 2002 wherein facilities sanctioned to the Corporate Debtor was recalled and the Corporate Debtor was directed to pay a sum of ₹67,27,54,568/-. Further legal notices were issued to the corporate debtor and the guarantors on 3.2.2017 stating that the account of Corporate Debtor was classified as NPA on 30.9.2014 and requiring the Corporate Debtor to pay a sum of ₹93,97,10,056/- as on 31.05.2017 with further interest, charges and costs up to the date of payment.
6. This Adjudicating Authority, on perusal of the documents filed by the Creditor, it is evident that the Corporate Debtor defaulted in repaying the loan availed and also placed the name of the Insolvency Resolution Professional to act as Interim Resolution Professional, having this Bench noticed that default has occurred and there is no disciplinary proceedings pending against the proposed resolution professional, therefore the Application under sub-section (2) of section 7 is taken as complete, accordingly this Bench hereby admits this Application declaring Moratorium with the directions as mentioned below:
 - a. 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 Securitisation 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.

- b. 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.
- c. 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.
- d. That the order of moratorium shall have effect from 06.10.2017 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.
- e. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.

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- f. That this Bench hereby appoints, Mr. Manish Baldeva, Office No.2, Tirupati Darshan Bldg.No.2, Balaji Nagar, Station Road, Bhayander (West), Thane – 401101, Mobile 9322889341 having Registration No.IBBI/IPA-002/IP-N00043/2016-17/10082 as interim resolution professional to carry the functions as mentioned under Insolvency & Bankruptcy Code.
8. Accordingly, this Petition is admitted.
9. The Registry is hereby directed to communicate a copy of this order to both parties.

Sd/-

V. NALLASENAPATHY
Member (Technical)

Sd/-

B. S.V. PRAKASHKUMAR
Member (Judicial)