

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, MUMBAI
C. P. NO. 30/I & BP/NCLT/MAH/2017

**Coram: B.S.V. Prakash Kumar, Member (Judicial) &
V. Nallasenapathy, Member (Technical)**

In the matter of under Section 10 of Insolvency and Bankruptcy Code, 2016 and Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority), Rules 2016)

And

MARMAGOA STEEL LTD. Corporate Debtor/ Corporate Applicant.

Applicants' Counsel: Mr. Nilesh Sharma, Mr. Ashish Pyasi, Advocates for the Applicant.

ORDER

(Heard & Pronounced on 20.03.2017)

This Company Petition is filed by Marmagao Steel Ltd., u/s 10 of I & B Code 2016 r/w Rule 7 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016 for initiation of Corporate Insolvency Resolution process.

2. The Corporate Debtor says that its registered office is at 280, Eclate, Curtorim, Goa 400309, incorporated on 17th July 1987 vide Registration No.764 of 1987 on the file of Registrar of Companies Goa, Daman & Diu, having authorised share capital of Rs.200 crores and paid up share capital of Rs.6.07 crores.

3. The Board of Directors of the Corporate Debtor in their meeting held on 15-02-2017 authorised Mr R.K. Radhakrishna, Managing Director of the Company to file an application under I&B Code 2016. The Corporate debtor has proposed one Mr. Pravin R. Navandar, D-519/520, Neelkant Business Park, Nathani Road, Vidyavihar West, Mumbai-400086, Email id: pravin@prnco.in, Registration No. IBBI/IPS-001/IP-P00008/2016-17/10027, as interim resolution professional, who has given his consent with a declaration that no disciplinary proceedings are pending against him vide his letter annexed at page No.213-214 of the petition.

4. The Corporate debtor provided the copy of audited financial statements for 2014-15 and 2015-16, provisional financial statements as on 31-12-2016, details of the assets of the company as on 31-03-2016 and 31-12-2016, details of secured creditors and unsecured loans as at 31-03-2016 and 31-12-2016, list of charges

registered with the Registrar of Companies, name and address of the Directors of the Company, share holding pattern of the company as on 31-03-2016 and 31-12-2016. He has also filed an affidavit as required under Insolvency & Bankruptcy Code.

5. Bank of Maharashtra and Union Bank of India in consortium, who are the financial creditors of the corporate debtor, issued a notice under section 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Act 2002 stating that the account of the corporate debtor was classified as non-performing asset in accordance with the prescribed norms issued by the Reserve Bank of India and called upon the corporate debtor to pay a sum of Rs.67,88,85,108/- as payable to Bank of Maharashtra and a sum of Rs.13,63,42,325/- as due payable to Union Bank of India.

6. Subsequently Union Bank of India assigned the loans and facilities disbursed to the Corporate debtor in favour of Asset Reconstruction Company (India) Limited by an assignment deed dated 30th September 2014. Similarly, Bank of Maharashtra assigned the loans and facilities disbursed to the corporate debtor in favour of Pridhvi Asset Reconstruction and Securitization Company Limited by an assignment deed dated 27th March 2015.

7. On perusal of the record of proceedings before the Board for Industrial and Financial Reconstruction, it reveals that a scheme for revival of the sick corporate debtor was sanctioned by the Board and the same was not successful due to various reasons. In the circumstance, the Corporate debtor has filed this application for initiating corporate Insolvency Resolution Process and the petition is in accordance with the requirements of section 10 of Insolvency & Bankruptcy Code 2016. On reading the petition and supporting documents annexed with the petition, this Bench is of the view that the corporate debtor has committed default in making repayment to the creditor, hence, this Bench hereby admits this petition filed under Section 10 of I & B Code, 2016, declaring moratorium with consequential directions as mentioned below:

(i) 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.

(ii) 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.

(iii) That the provisions of sub-section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

(iv) That the order of moratorium shall have effect from 20.3.2017 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.

(v) That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.

(vi) That this Bench hereby appoints, Mr. Pravin R. Navandar, D-519/520, Neelkant Business Park, Nathani Road, Vidyavihar West, Mumbai-400086, Email id: pravin@prnco.in, Registration No. IBBI/IPS-001/IP-P00008/2016-17/10027, as Interim Resolution Professional to carry the functions as mentioned under Insolvency & Bankruptcy Code.

(vii) Accordingly, this Petition is admitted.

Sd/-

V. NALLASENAPATHY
Member(Technical)

Sd/-

B. S. V. PRAKASH KUMAR
Member (Judicial)