

NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH  
CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF CHENNAI BENCH, CHENNAI  
NATIONAL COMPANY LAW TRIBUNAL, HELD ON 22/08/2017 AT 10.30 AM


PRESENT: SHRI Ch. MOHD SHARIEF TARIQ, MEMBER-JUDICIAL  
SHRI S.VIJAYARAGHAVAN (TECHNICAL MEMBER)

APPLICATION NUMBER :  
PETITION NUMBER : TCP/517/ (IB)/2017  
NAME OF THE PETITIONER(S) : LOIWAL STEEL HOUSE  
NAME OF THE RESPONDENT(S) : VARADHA STEELS PVT LTD  
UNDER SECTION : 9 RULE 6

S.No.	NAME (IN CAPITAL)	DESIGNATION	SIGNATURE
		REPRESENTATION BY WHOM	

R. Gopinath  
For MC ham law Firm

Counsel for Respondent

  
22/8/17

PAWAN JHABAKH for

for Petitions.



C.P. SURANA .

IN THE NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH, CHENNAI

CP/517/(IB)/CB/2017

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

In the matter of

**M/s. Loiwal Steel House**

**Vs.**

**M/s. Varadha Steels Private Limited.**

*Order delivered on 22<sup>nd</sup> of August, 2017*

CORAM :

**CH MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)**  
**S. VIJAYARAGHAVAN, MEMBER (TECHNICAL)**

*For Petitioner(s) : Counsel Mr Pawan Jhabakh*  
*For Respondent(s) : Counsel Mr. Gopinath*

**ORDER**

Per: CH MOHD SHARIEF TARIQ, MEMBER (J)

1. Under adjudication is an Application filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 (I&B Code 2016, for short) read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, by the Operational Creditor, the detailed grounds have been

referred therein. The prayer made is to admit the Application and to initiate the Corporate Insolvency Resolution Process against the Corporate Debtor under the I&B Code, 2016.

Heard the Ld. Counsel for the Operational Creditor and Corporate Debtor and perused the records.

2. The Operational Creditor has made a claim of Rs.82,85,408.25p as principal amount and Rs.39,76,992 as interest amount calculating at the rate of 18% [totalling Rs.1,22,62,400.25p] against the Operational Creditor. The Operational Creditor has sent Notice under Section 8 of the I&B Code, 2016 on 27.02.2017 claiming the same amount under second bullet point at page 15 of the typed set of Application, to which the reply has been given by the Corporate Debtor on 08.03.2017, which is placed at page 21 of the typed set, wherein under para 9, it has been stated that the differential amount between the payments made by the Operational Creditor and the goods supply

by the Corporate Debtor is Rs.63,82,685.09 and not Rs.82,85,408.25p. In other words, the Corporate Debtor has admitted the outstanding amount of Rs.63,82,685.09p. The Operational Creditor has also submitted an Affidavit and Bank statement to make compliance with the provisions of Section 9 (3) (b) and (c) of the I&B Code, 2016, which are placed at pages 11 & 12 and 158 onwards respectively, of the typed set of Application, which shows that the Corporate Debtor has neither raised any dispute nor paid the balance amount.

3. During the course of arguments, the Counsel for the Corporate Debtor was asked to explain the statement made by the Corporate Debtor under para 9 of its reply dated 08.03.2017. In response, the Counsel for the Corporate Debtor submitted that the said payment has been made to the sister concern, which is a firm, and also submitted that as per their mutual understanding, some payments have also been adjusted by the Corporate Debtor. But, the Counsel

for the Corporate Debtor was unable to explain the admission made under para 9 of the reply to the notice wherein an amount of Rs.63,82,685.09 was admitted as outstanding debt. Therefore, the defence of the Corporate Debtor stands rejected.

4. The Operational Creditor has proposed the name of the IRP after seeking written consent in Form-2. In the facts and circumstances, the Application CP/517/(IB)/CB/2017 of the Operational Creditor is admitted and we order the commencement of the Corporate Insolvency Resolution Process which ordinarily shall get completed within 180 days, reckoning from the day this order is passed.

5. We appoint Ms. Kavita Surana, as IRP as proposed by the Operational Creditor. There is no disciplinary proceedings pending against the IRP and her name is reflected in IBBI website. The IRP is directed to take charge of the Respondent Corporate Debtor's management immediately. She is also directed to cause public announcement as prescribed

under Section 15 of the I&B Code, 2016 within three days from the date the copy of this order is received, and call for submissions of claim in the manner as prescribed.

6. We declare the moratorium which shall have effect from the date of this Order till the completion of corporate insolvency resolution process, for the purposes referred to in Section 14 of the I&B Code, 2016. We order to prohibit all of the following, namely :

- (a) 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;
- (b) Transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;
- (c) 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 (54 of 2002);

(d) The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.

7. The supply of essential goods or services of the Corporate Debtor shall not be terminated or suspended or interrupted during moratorium period. The provisions of Sub-section (1) of Section 14 shall not apply to such transactions, as notified by the Central Government.


8. The IRP shall comply with the provisions of Sections 13 (2), 15, 17 & 18 of the Code. The directors of the Corporate Debtor, its promoters or any person associated with the Management of the Corporate Debtor is expected to extend all assistance and cooperation to the IRP as stipulated under Section 19 and for discharging her functions under Section 20 of the I&B Code, 2016.

9. The Operational Creditor and the Registry are directed to send the copy of this Order to IRP so that she could take charge of the Corporate Debtor's assets etc. and make compliance with this Order as per the provisions of I&B Code, 2016.

10. The Registry is directed to communicate this Order to the Operational Creditor and the Corporate Debtor.

The address details of the IRP are as follows: -

Ms. Kavita Surana  
Regn No: (IBBI/IPA-002/IP-N00166/2017-18/10435)  
S.U.S. Bhawan,  
No.2, Vimala Street,  
Ayyavoo Colony, Aminjikarai,  
Chennai – 600 029, Tamilnadu.  
Email: [kavitha@mksurana.com](mailto:kavitha@mksurana.com)  
Mobile No: 9940577777

  
**S. VIJAYARAGHAVAN**  
MEMBER (T)  
PAM

  
**CH. MOHD SHARIEF TARIQ**  
MEMBER (J)