

NATIONAL COMPANY LAW TRIBUNAL
SINGLE BENCH
CHENNAI

(14)

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF CHENNAI BENCH, CHENNAI
NATIONAL COMPANY LAW TRIBUNAL, HELD ON 24/11/2017 AT 10.30 AM

PRESENT: SHRI Ch. MOHD SHARIEF TARIQ, MEMBER-JUDICIAL

APPLICATION NUMBER :
PETITION NUMBER : CP/623/(IB)/2017
NAME OF THE PETITIONER(S) : INDIAN BANK
NAME OF THE RESPONDENT(S) : NSR STEELS PVT LTD
UNDER SECTION : 7 RULE 4

| S.No. | NAME (IN CAPITAL) | DESIGNATION | SIGNATURE |
|-------|-------------------|-------------|-----------|
|-------|-------------------|-------------|-----------|

N. CHANDRA RAJ

KARNATAKA

Comptroller for AAIT.

Admin Manager
for NSR Steels Pvt Ltd

[Signature]

[Signature]

IN THE NATIONAL COMPANY LAW TRIBUNAL,
SINGLE BENCH, CHENNAI

CP/623 (IB)/CB/2017

Under Section 7 of the Insolvency And Bankruptcy Code
2016 R/W Rule 4 of the Insolvency and Bankruptcy
(Application to Adjudicating Authority) Rules, 2016

In the matter of

Indian Bank

Vs

M/s. N.S.R. Steels Private Limited

Order delivered on 24th November, 2017

CORAM :

CH MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)

For Financial Creditor(s) : Counsel Mr. N. Chandra Raj

For Corporate Debtor(s) : Mr. Karthik, Administrative Manager

ORDER

Per: CH MOHD SHARIEF TARIQ, MEMBER (J)

1. Under adjudication is an Application that has been filed by Indian Bank (hereinafter referred to as Financial Creditor) under Section 7 of the Insolvency and Bankruptcy Code 2016 r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 against M/s. N.S.

R. Steels Private Limited (hereinafter referred to as Corporate Debtor). The prayer made is to admit the Application, to initiate the Corporate Insolvency Resolution Process against the Corporate Debtor, declare moratorium and appoint Interim Resolution Professional (IRP) under the Insolvency and Bankruptcy Code, 2016 (I&B Code). The counter has been filed by the Corporate Debtor. Mr. Karthik an Administrative Manager of the Corporate Debtor is present on behalf of the Corporate Debtor.

2. We have heard the Counsel for Financial Creditor and the Administrative Manager for the Corporate Debtor and perused the record.

3. The Financial Creditor is claiming outstanding debt to the tune of Rs.36,47,81,328/- as on 22.09.2017. The loan facilities have been extended to the Corporate Debtor under several agreements; copies of which are placed in the typed set filed with the Application. The amount of loan was given for manufacturing the steel rolls, as the Corporate Debtor


is running the factory and dealing in the business of manufacturing of steel rolls. The facilities of loan have been extended by the Financial Creditor to the Corporate Debtor on different dates as stated in the Application. But, the Corporate Debtor failed to make the payments of the outstanding debt. Therefore, account of the Corporate Debtor was classified as NPA on 30.06.2015. The statements of accounts are placed at pages 468 to 629 of volume II of typed set filed with the Application. It is established from the record placed on the file that there is existence of default on the part of the Corporate Debtor.

4. The Corporate Debtor has stated in the counter that the Financial Creditor has suppressed several material facts and has placed wrong cause of action. It has further been stated that the Financial Creditor has not come before the Adjudicating Authority with clean hands and the Application is liable to be dismissed as the same is devoid of merits. However, during the course of the hearing, Mr. Karthik representing the

Corporate Debtor has admitted the fact that there is outstanding debt, which has not been paid.


5. The Financial Creditor has sent notice under Section 13(2) of the SARFAESI Act, 2002 on 20.07.2015 to the Corporate Debtor, the copy of which is placed at page 433 of the typed set filed with the Application. The Financial Creditor has also placed on file the other required documents.

6. The Application along with the record placed on file has been perused and there is default on the part of Corporate Debtor in making payment of the outstanding debt to the Financial Creditor/Applicant.

7. The Financial Creditor has fulfilled all the requirements of law and has also proposed the name of IRP after obtaining the written consent in Form-2. Therefore, CP/623/(IB)/CB/2017 is admitted and the commencement of the Corporate Insolvency Resolution Process is ordered which ordinarily shall get completed within 180 days, reckoning from the day this order is  passed.

8. Mr. Venkataramanarao Nagarajan, as IRP is hereby appointed as proposed by the Financial Creditor. There is no disciplinary proceedings pending against the IRP as evidenced from Form-2 and his name is reflected in IBBI website. The IRP is directed to take charge of the Respondent Corporate Debtor's management immediately. He 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.

9. The moratorium is hereby declared 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. It is hereby ordered 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.

10. 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.

11. 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 his functions under Section 20 of the I&B Code, 2016.

12. The Financial Creditor and the Registry are directed to send the copy of this Order to IRP so that he 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.

13. The Registry is directed to communicate this Order to the Financial Creditor and the Corporate Debtor.

The address details of the IRP are as follows: -

Mr. Venkataramanarao Nagarajan,
Regn No: (IBBI/IPA-002/IP-N00055/2017-18/10107)
New No. 29, Kavarai Street,
West Mambalam,
Chennai – 600 033
Tamilnadu
Email: csnagarajan@gmail.com
Mobile No: 9940111058.


[CH. MOHD SHARIEF TARIQ]
MEMBER (Judicial)