

**In the National Company Law Tribunal  
Division Bench, Chennai**

**CP/634/(IB)/CB/2017**

Under Section 7 of the IBC, 2016

**In the matter of**

Bank of Baroda

V/s

M/s. Vangal Amman Health Services Limited

Order delivered on: 22.11.2017

**Coram:**

**K. Anantha Padmanabha Swamy, Member (Judicial)**

**S. Vijayaraghavan, Member (Technical)**

**For the Petitioners/FC:** Mr. G. Kalyan Jhabakh

**For the Respondent/CD:** Mr. C. Deivasigamani, Advocate

**ORDER**

**Per: K. ANANTHA PADMANABHA SWAMY, MEMBER (J)**

1. Under Consideration is a Company Petition filed by Bank of Baroda (in short, '**Petitioner/Financial Creditor**') against M/s. Vangal Amman Health Services Limited (in short, '**Respondent/Corporate Debtor**') under section 7 of the Insolvency and Bankruptcy Code 2016 (In short, '**IB Code 2016**') r/w Rule 4 of the Insolvency & Bankruptcy (Application to Adjudicating Authority)

Rules, 2016 (for brevity, '**IB Rules 2016**') on grounds of respondent's inability to pay debt.

2. The petitioner is Bank of Baroda, a Banking company whereas the Respondent/Corporate Debtor is a Company registered under the Companies Act, 1956 and engaged in the business of Health Services.

3. Before proceeding with this matter, it would be appropriate to make a note of background facts for the purpose of determination of this petition.

4. The learned counsel appearing on behalf of the petitioner/FC submitted that the Corporate Debtor availed three credit facilities from the petitioner of TL Rs. 17,00,00,000/-, FITL-I Rs. 2,10,00,000/- and FITL-II Rs. 4,15,00,000/- amounting to Rs. 23,25,00,000/- current total outstanding amount of Rs. 15,95,00,000/- as on 31.07.2017 date of NPA-07.09.2013 in December, 2015 quarter with back dated effect (Account is under CDR Mechanism).

5. It is further submitted that the Financial Creditor had given said loan to Corporate Debtor by way of security held of primary Securities, Hypothecation and Collateral Securities of entire current assets of the corporate debtor.

6. It is further submitted that the petitioner, having awaited for a long period of time for their legitimate dues and despite the



respondent acknowledging its dues to the petitioner, approached this Adjudicating Authority for the payment outstanding amount of Rs. 15,95,00,000/- as on 31.07.2017 in the capacity of Financial Creditor under the provisions of the IB Code 2016 and prayed for initiation of Corporate Insolvency Resolution Process against the Respondent/CD on the grounds of respondent's inability to pay debt.

7. The learned counsel for the Respondent/CD caused appearance, denied all the allegations contained and submitted that the petition is not maintainable on the grounds of technical laches as there are some defects in the Application filed by the petitioner as there are no complete particulars regarding the loan accounts and default. The Statement of term loan accounts have not been attached to substantiate the amount due. The Copies of Entries are not in accordance with the Bankers Books Evidence Act, 1891. He further submitted that the total area of the project land held as security is wrongly stated as 165.43 instead of 1894.02 cents in form-1. Therefore the company petition should be dismissed as the cause of action has cease to exist and further under the aforementioned scheme, there is no default by the respondent/CD under section 7 of IB Code, 2016.



8. As per the submission of the counsel for the petitioner, the Petitioner has complied with all the requirements as stipulated under the provisions of the IB Code, 2016 and the rules framed thereunder.

9. After hearing submissions of the counsel for the petitioner and respondent and having perused the record, this Adjudicating authority is satisfied that the petitioner has proved by placing overwhelming evidence that default has occurred which the Corporate Debtor was responsible to pay. In relation to the technical laches as pointed out by the counsel for respondent, it is pertinent to mention that the petitioner has established clearly that the amount in default is genuine and is supported by the documentary evidence placed. Therefore, we are of the opinion that the said objection is not a valid ground of rejection of the instant petition. In the circumstances, we are inclined to admit the instant application.

10. Therefore, the instant petition is admitted and we order the commencement of the Corporate Insolvency Resolution Process which shall ordinarily get completed within 180 days, reckoning from the day this order is passed.

11. We appoint Shri. Getticheviyur Venkatraman Ravikumar as Interim Resolution Professional (IRP) proposed by the Financial Creditor. There is no disciplinary proceedings pending against the IRP

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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.

12. 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 and 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.*

**13.** 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.

**14.** The IRP shall comply with the provisions of Sections 13 (2), 15, 17 & 18 of the Code. The Directors, Promoters or any other person associated with the management of Corporate Debtor are directed 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. Accordingly, the application is admitted.

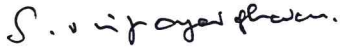
**15.** The Petitioner/FC as well as the Registry are directed to send the copy of this Order to IRP so that he could take charge of the Corporate Debtor's assets etc. and make compliance with this Order as per the provisions of I&B Code, 2016.

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

17. The address details of the IRP are as follows: -

**Shri. Getticheviyur Venkatraman Ravikumar**  
**Regn. No: (IBBI/IPA-001/IP-P00370/2017-2018/10627)**  
**34-36-38 New Hospital Road,**  
**Gobichettipalayam, Erode District**  
**Tamil Nadu**  
**E-mail: [ravikumar@gmail.com](mailto:ravikumar@gmail.com)**

  
**(S. Vijayaraghavan)**  
**Member (Technical)**

  
**(K. Anantha Padmanabha Swamy)**  
**Member (Judicial)**

TJS