IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV

CP (IB) 1689/MB/C-IV/2019

Under section 9 of the Insolvency & Bankruptcy Code, 2016

In the matter of

Megamet Steels Private Limited
…Operational Creditor

Versus

Supreme Startech Private Limited
Corporate Debtor

Order Delivered on 25.10.2019

Coram: Hon'ble Member (Judicial): Mr Rajasekhar V.K.
Hon'ble Member (Technical) : Mr Ravikumar Duraisamy

Appearances:

For the Operational Creditor : Mr Sukrut Mhatre, Advocate

For the Corporate Debtor : Mr Ajit Singh Tawar, Advocate

ORDER

Per: Ravikumar Duraisamy, Member (Technical)

1. This is a Company Petition filed under section 9 of the Insolvency & Bankruptcy Code, 2016 **(IBC)** by **Megamet Steels Private Limited** ("the Operational Creditor"), a Private Limited Company represented by its Authorised Signatory of the Company Mr. Pankaj Agarwal, duly authorised by the Board

Resolution dated 02.04.2019 (**Exhibit 'D'** to the petition at p.22), seeking to initiate Corporate Insolvency Resolution Process (CIRP) against **Supreme Startech Private Limited** ("the Corporate Debtor").

2. The Corporate Debtor is a private company limited by shares and incorporated on 28.03.2001 under the Companies Act, 1956, with the Registrar of Companies (RoC), Maharashtra, Mumbai. Its Corporate Identity Number (CIN) is U24110MH2001PTC131422 Its registered office is at Block No. 13-14, Seva Sadan, C.A. Road Nagpur MH 440018. Therefore, this Bench has jurisdiction to deal with this petition.

3. The present petition was filed before this Adjudicating Authority on the ground that the Corporate Debtor failed to make payment of a sum of Rs.14,78,496/- (Rupees fourteen lakhs seventy-eight thousand four hundred ninety-six only) as principal and Rs.5,83,297 /- (Rupees five lakh eighty three thousand two hundred ninety seven only) as interest aggregating to Rs. 20,61,793 (Rupees twenty lakhs sixty one thousand seven hundred ninety-three only) as on 01.09.2017 which is the date of default.

4. The case of the Operational Creditor is as follows: -

   (a) The Operational Creditor has stated that the Operational Creditor has sold, supplied and delivered the goods to the Corporate Debtor under their five invoices, in the aggregate sum of Rs. 24,78,496/- (Rupees twenty-four lakhs seventy eight thousand four hundred ninety six only).

(b) The Operational Creditor further stated that the Corporate Debtor agreed and promised to pay within 10 days and if delayed also agreed to pay interest at the rate of 24% p.a. The Corporate Debtor has made part payment of Rs. 10,00,000/- (Rupees ten lakhs only) and as principal sum of Rs. 14,78,496/- (Rupees fourteen lakhs seventy-eight thousand four hundred ninety-six only) is remained due and payable by the Corporate Debtor along with interest component at the rate of 24% p.a.

5. Invoices have been placed on record as **Exhibit 'A-1' to 'A-5'** at pp.8-12. The invoices provide for interest at 24% p.a. in case of delayed payments. The total debt as claimed to be due and payable to the Operational Creditor is Rs.20,61,793/- (Rupees twenty lakh sixty-one thousand seven hundred ninety-three only), as mentioned at page 4 of the Petition.

6. The Operational Creditor had served a Demand Notice in Form 3 dated 13.04.2018 to the Corporate Debtor (**Exhibit 'B'**, pp.13) in terms of section 8 of the IBC. However, the Corporate Debtor has not replied to the Demand Notice.

7. The Corporate Debtor has remained unrepresented in spite of many opportunities given to it to appear and submit a reply in the matter.

8. We have heard the arguments of the Learned Counsel for the Operational Creditor and perused the records.

9. The Operational Creditor has submitted the following Invoices:

   i) Invoice No. 305 dated 14.08.2017 of Rs. 532,770/- at pg. 8

   ii) Invoice No. 306 dated 14.08.2017 of Rs. 490,644/- at pg. 9

   iii) Invoice No. 307 dated 14.08.2017 of Rs. 501,052/- at pg. 10

   iv) Invoice No. 308 dated 14.08.2017 of Rs. 489,405/- at pg. 11

   v) Invoice No. 309 dated 14.08.2017 of Rs. 464,625/- at pg. 12

10. It is observed that the Demand Notice dated 13th April, 2018 was served on the Corporate Debtor and the same was delivered by speed post to the Corporate Debtor. The acknowledgement for the delivery has been submitted by the Operational Creditor.

11. The Corporate Debtor has made part payment of Rs. 10,00,000/- (Rupees ten lakhs only), and the remaining principal amount of Rs. 14,78,496/- (Rupees fourteen lakhs seventy-eight thousand four hundred ninety-six only) along with interest of Rs. 5,83,297 /- (Rupees five lakh eighty-three thousand two hundred ninety-seven only) totalling to Rs.20,61,793/- (Rupees twenty lakh sixty-one

thousand seven hundred ninety-three only). Thus, debt on the Corporate Debtor is proved by the Operational Creditor.

12. The application made by the Operational Creditor is complete in all respects as required by law. It clearly shows that the Corporate Debtor is in default of a debt due and payable, and the default is in excess of minimum amount of one lakh rupees stipulated under section 4(1) of the IBC. Therefore, the default stands established and there is no reason to deny the admission of the Petition. In view of this, this Adjudicating Authority admits this Petition and orders initiation of CIRP against the Corporate Debtor.
13. The Operational Creditor has proposed the name of **Mr. Pawan Kumar Ramdhan Agarwal**, Registration No. IBBI/IPA-001/IP-P00414/2017-18/10737 as Interim Resolution Professionsal (IRP).
14. It is, accordingly, hereby ordered as follows: -

    (a) The petition bearing **CP(IB) 1689/MB/C-IV/2019** filed by **Megamet Steels Private Limited,** the Operational Creditor, under section 9 of the IBC read with rule 4 (1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating Corporate Insolvency Resolution Process (CIRP) against **Supreme Startech Private Limited],** the Corporate Debtor, is **admitted**.

    (b) There shall be a moratorium under section 14 of the IBC, in regard to the following:

(i) 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;

(ii) Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;

(iii) 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 Operational Assets and Enforcement of Security Interest (SARFAESI) Act, 2002;

(iv) The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.

(c) Notwithstanding the above, during the period of moratorium,-

(i) The supply of essential goods or services to the corporate debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period;

(ii) That the provisions of sub-section (1) of section 14 of the IBC shall not apply to such transactions as may be notified by the Central Government in consultation with any sectoral regulator;

(d) The moratorium shall have effect from the date of this order till the completion of the CIRP or until this Tribunal approves the resolution plan under sub-section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Debtor under section 33 of the IBC, as the case may be.

(e) Public announcement of the CIRP shall be made immediately as specified under section 13 of the IBC read with regulation 6 of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

(f) The Operational Creditor has proposed the name of Interim Resolution Professionsal (IRP). **Mr. Pawan Kumar Ramdhan Agarwal**, Registration No. IBBI/IPA-001/IP-P00414/2017-18/10737, having address at 42, Gopal Bhavan, 199, S.G. Marg, Marine Lines (E) Mumbai-400002, Contact no. 022-22093908 / 22089133 is hereby appointed as Interim Resolution Professional (IRP) of the Corporate Debtor to carry out the functions as mentioned under IBC. The IRP shall carry out functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the IBC. The fee payable to

IRP/RP shall be compliant with Regulations, Circulars and Directions issued by the Insolvency & Bankruptcy Board of India (IBBI) as may be applicable.

(g) During the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of section 17 of the IBC. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP within a period of one week from the date of receipt of this Order, in default of which coercive steps will follow.

(h) The Operational Creditor shall deposit a sum of Rs.1,00,000/- (Rupees one lakh only) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of Creditors (CoC).

(i) The Registry is directed to communicate this Order to the Operational Creditor, the Corporate Debtor and the IRP by Speed Post and email immediately, and in any case, not later than two days from the date of this Order.

(j) A copy of this Order be sent to the Registrar of Companies, Maharashtra, Mumbai, for updating the Master Data of the Corporate Debtor. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this

Court **within seven days** from the date of receipt of a copy of this order.

SD/-
RAVIKUMAR DURAISAMY
Member (Technical)

SD/-
RAJASEKHAR V.K.
Member (Judicial)

25.10.2019