NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH – II
CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF CHENNAI BENCH, CHENNAI NATIONAL COMPANY LAW TRIBUNAL, HELD ON 10-12-2021 AT 10:30 A.M THROUGH VIDEO CONFERENCING:

PRESENT: JUSTICE RAMALINGAM SUDHAKAR, HON'BLE PRESIDENT
SHRI B. ANIL KUMAR, MEMBER (TECHNICAL))

APPLICATION NUMBER	:
PETITION NUMBER	: CP(IB)/78(CHE)/2021
NAME OF THE PETITIONER	: Integrated Data Management Services Pvt Ltd
NAME OF THE RESPONDENTS	: Ucal Products Pvt Ltd
UNDER SECTION	: Sec 7 Rule 4 of IBC, 2016

IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH - II, CHENNAI

CP(IB)/78(CHE)/2021

(Filed Under Section 7 of the Insolvency and Bankruptcy Code, 2016 and Rule 4 of the Insolvency and Bankruptcy [Application to Adjudicating Authority], Rules, 2016

In the matter of ***M/s. Integrated Data Management Services Pvt. Ltd..***

M/s. Integrated Data Management Services Pvt. Ltd..
having Registered Office at:
2nd Floor, Kences Towers,
No.1 Ramakrishna Street, T. Nagar,
Chennai - 600017

... Applicant/ Financial Creditor

- Vs –

M/s. UCAL Products Pvt. Ltd..
No. EP 2, New SIDCO Industrial Estate,
Maraimalai Nagar, Kancheepuram,
Tamil Nadu - 603209

... Respondent/Corporate Debtor

CORAM:

JUSTICE RAMALINGAM SUDHAKAR, HON'BLE PRESIDENT
ANIL KUMAR B, MEMBER (TECHNICAL)

For Financial Creditor	:	*Kumarpal R Chopra, Advocate*
For Corporate Debtor	:	*Ex-parte*

ORDER

***Per:* JUSTICE RAMALINGAM SUDHAKAR, HON'BLE PRESIDENT**

Heard and Dictated on: 10.12.2021

This is an application which is filed by the Applicant/Financial Creditor M/s. Integrated Data Management Services Private Limited under Section 7 of the Insolvency and Bankruptcy Code, 2016 bearing CIN No: U67120TN2001PTC047069 seeking thereof to initiate Corporate Insolvency Resolution Process as against the Respondent / Corporate Debtor viz. M/s. UCAL Products Private Limited bearing CIN No: U27200TN1979PTC007696, which was incorporated on 05.01.1979.

2. The Respondent/Corporate Debtor has an Authorized Share Capital of Rs.4,00,00,000/-(Rupees Four Crores Only) and Paid up Share Capital of Rs.2,68,96,000/- (Rupees Two Crores Sixty Eight Lakhs Ninety Six Thousand Only).

3. The Financial Creditorat page 4; serial no.3 of the application has stated thatthey are into the business of integrated data management services. Part IV of the application contains the documents on record in regard to Financial Debt. The details of the Financial Debt are as follows:

S.No.	Details of the Loan	Amount in Rs.
1	Funds Transfer through RTGS from Current Account of the Financial Creditor to the Bank Account of Corporate Debtor on 20.07.2018	1,00,00,000/-
2	Funds Transfer through RTGS from Current Account of the Financial Creditor to the Bank Account of Corporate Debtor on 26.07.2018	1,50,00,000/-
3	Funds Transfer through RTGS from Current Account of the Financial Creditor to the Bank Account of Corporate Debtor on 29.09.2018	2,50,00,000/-
	TOTAL amount of Debt	**5,00,00,000/-**

4. The total amount outstanding as stated in Part – IV of the Application isRs.6,00,86,301/- including interestat the rate of 15% p.a. as on 31.12.2019. The details of the computation of the amount in default are available at page no.36 of the application mentioned as Annexure-I(D).

5. Part V of the application contains the documents, records and evidence in regard to Default. There aretwo Loan Agreements dated 06.07.2018 and 26.09.2018 in respect of the above financial arrangement which areavailable at page nos. 37 and 43 of the application respectively.

6. A Demand Promissory Note dated 06.07.2018 for Rs.2.50Crore was issued by the Corporate Debtor to the Applicant/Financial Creditor which is available at page 42 of the application.

7. The Board Resolution of the Financial Creditor authorizing sanction of the loans is available at Page no. 49 of the application as Annexure-I (F) of the application.

8. The copy of the Bank Statement reflecting the transfer of funds of Rs.5,00,00,000/- by RTGS by the Financial Creditor to the Corporate Debtor and also copy of the letter issued to the

Corporate Debtor is available at page nos. 50 & 51 as Annexure-I (G) and page no. 58 as Annexure-I (I) of the application collectively.

9. In so far as, the debt is concerned, the Financial Creditor issued letter dated 12.12.2019 issued to the Corporate Debtor calling up on to pay the loan and also another reminder letter dated 19.12.2019 available at page nos. 58 and 59 of the application. Copy of the reply letter issued by the Corporate Debtor to the Financial Creditor is available at page 60 of the application.

10. At page 61 of the application, the crucial reply notice dated 08.01.2020issued by the Respondent/Corporate Debtor to the Financial Creditor acknowledging all the three letters dated 12.12.2019, 19.12.2019 and 28.12.2019, acknowledging and admitting the debt including interest. It has been clearly stated in the said letter that therein due to financial difficulty they are unable to repay such huge amounts at this point of time.

11. Thereafter, demand notice was issued by the Financial Creditor to the Corporate Debtor on 12.01.2020, the same is available at page nos. 52 to 57 as Annexure-I (H) of the application. The Board Resolution for filing the application is available at page 2 as Annexure-I (A) of the application. The copy

of legal notice dated 10.11.2020 issued to the Corporate Debtor by the Financial Creditor is available at page nos. 62 and 63 of the application.

12. In relation to the Corporate Debtor, it is seen from the record of proceedings that the Corporate Debtor has already been set ex-parte by this Tribunal.

13. In view of the above, it is seen that the Corporate Debtor has acknowledged the debt vide his letter dated 12.12.2019, 19.12.2019 and 28.12.2019 and also the said debt subsists even today. Thus, the Applicant / Financial Creditor has satisfied that there is a 'financial debt' and the Corporate Debtor has failed to repay the said 'financial debt' and consequently committed a 'default'. Further, it is also pertinent to note that the default arising in the present Application is prior to the advent of the Covid-19 pandemic and hence the Corporate Debtor also cannot seek shelter under Section 10A of IBC, 2016. Hence, the present Application, as per Section 7(5) of IBC, 2016 stands admitted.

14. The Financial Creditor has proposed the name of **Mr. Kannan Sambasivam, having Registration No. IBBI/IPA-001/IP-P00755/2017-2018/11287** as the Interim Resolution Professional (IRP) who has also filed his consent in Form – 2 and

also upon verification from the IBBI website, it is seen that the Authorization for Assignment is granted to the said IRP till 19.01.2022. The proposed IRP who is appointed shall take forward the process of Corporate Insolvency Resolution of the Corporate Debtor. The IRP appointed shall take in this regard such other and further steps as are required under the Statute, more specifically in terms of Section 15,17,18 of the Code and file his report within 20 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

15. As a consequence of the Application being admitted in terms of Section 7 of the Code, moratorium as envisaged under provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor;

a. The institution of suits or continuation of pending suits or proceedings against the respondent 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 respondent 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 respondent in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

d. The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the respondent.

Explanation.-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license or a similar grant or right during moratorium period;

16. However during the pendency of moratorium period in terms of Section 14(2) and 14(3) as extracted hereunder;

(2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and mange the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

(3) The provisions of sub-section (1) shall not apply to

(a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;

(b) a surety in a contract of guarantee to a corporate debtor.

17. The duration of period of moratorium shall be as provided in Section 14(4) of the Code which is reproduced below for ready reference;

(4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.

18. Based on the above terms, the Petition stands **admitted** in terms of Section 7 of the Code and the Moratorium shall come into effect as on the date of this order. A copy of the Order shall be communicated to the Financial Creditor as well as to the Corporate Debtor above named by the Registry. In addition, a copy of the Order shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named shall also be furnished with copy of this Order forthwith by the Registry, who will communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

-Sd-
B. ANIL KUMAR
MEMBER (TECHNICAL)

-Sd-
Justice RAMALINGAM SUDHAKAR
Hon'ble PRESIDENT

Raymond