

**IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COURT III**

C.P. No. 184/IBC/MB/2022

Under Section 10 of the Insolvency and Bankruptcy Code, 2016 read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudication Authority) Rule, 2016

In the matter of

Anagha Steel Markeing Limited

(Formerly known as Essar Steel Marketing Limited)

Having registered office at: 141/1

Malwada, Burujpada, Taluka

Vikramgad, Dist. Palghar

Vikramgad - 401605

...Corporate Applicant

Reserved for order on: 15.12.2022

Order Pronounced on: 23.12.2022

Coram:

Hon'ble Shri H.V. Subba Rao, Member (Judicial)

Hon'ble Shri Satya Ranjan Prasad, Member (Technical)

For the Applicant: Mr. Dweek Joshi, Advocate

Per: *H.V. Subba Rao, Member (Judicial)*

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1. This Company petition is filed by *Anagha Steel Markeing Limited* (hereinafter called "Corporate Applicant") seeking to initiate

Corporate Insolvency Resolution Process. The said application is being preferred by the Corporate Applicant owing to financial stress faced by it, consequent to which it is not in a position to repay the debts due to its creditors.

2. The present petition is filed before this Adjudicating Authority on the ground that the Corporate Applicant failed to make payment of a sum of Rs. 51,36,53,346/- (Rupees Fifty-One Crores Thirty-Six Lakhs Fifty-Three Thousand Three Hundred Forty Six only).

3. The brief facts of the case are as follows:-

- a. The Corporate Applicant was incorporated in 2007 under the name of Essar Steel Marketing Limited classified as a public limited company and is located in Mumbai City, Maharashtra. It has authorized share capital is INR 5.00 lac and the total paid-up capital is INR 5.00 lac.
- b. During its normal business courses of action, the corporate applicant has taken financial assistance from various entity. The corporate Applicant has taken a loan from the financial entity named SREI Infrastructure Financial Limited. Further, the Corporate applicant has also executed a deed of hypothecation in favour of the financial creditor.
- c. The Corporate Applicant is also unable to repay amounts to its operational creditors due inability to generate cash revenue. Further, the Corporate Applicant changed its name to Anagha Steel Markeing Limited.
- d. Due to non-payment to its creditors the corporate applicant received various queries from its creditors and due to non-availability of the cash flow the directions of the Corporate Debtors passed a resolution to start a Corporate Insolvency Resolution Process of the corporate debtor.

- e. Thus, the corporate applicant/corporate debtor relies upon this Hon'ble Tribunal to pass an order for initiation of Corporate Insolvency Resolution Process of the Corporate Debtor in accordance to the Insolvency and Bankruptcy Code, 2016.
4. On the first listing date i.e. on 24.02.2022, the Bench directed the Corporate Applicant to issue notice to the creditors and the matter was posted on 21.04.2022. On 21.04.2022, the corporate applicant requested time for to serve notice on the creditors as he has received the details of the creditors yesterday and the matter was posted on 28.06.2022. On 26.08.2022 the Corporate Applicant was again directed to issue notice to the Creditors and the matter was posted to 24.08.2022. On 24.08.2022, Mr. Darshit Dave appeared for one of the creditors i.e. M/s SREI Equipment Finance Limited. None appeared for the other creditors M/s Edwell Infrastructure Hazira Limited and M/s Essar Advisory Services Limited in spite of service of notice as per the track report and service affidavit filed by the Petitioner. On that date, petitioner was directed to file an undertaking affidavit of the promoters of the company undertaking to bear the CIRP cost. Accordingly the Applicant filed the Affidavit dated 21.09.2022 of Mr. Atul V. Bhagwat, Director of the Corporate Applicant. And final the matter come up for hearing on today's i.e. 15.12.2022.
5. Heard the counsel appearing for the Corporate Applicant and perused the record.
6. The Corporate Applicant has enclosed a copy of Special Resolution passed by the shareholder of the company in their Meeting held on 03.11.2021 for initiating Corporate Insolvency Resolution

Process u/s 10 of Insolvency & Bankruptcy Code. The Board of Directors of the Corporate Applicant in their meeting held on 03.11.2021 authorised Mr. Kapil Purohit and Atul Bhagwat, Directors of the Company to file necessary application under the Code.

7. The Corporate Applicant enclosed the copy of assets and liabilities of the company, copy of Deed of Hypothecation dated 04.08.2016 along with ROC report, copy of list of Financial Borrowing provided by the Corporate Applicant and Copy of Ledger Account for the above said loans with the petition.
8. Further, the Corporate Applicant has also enclosed the balance sheet of the Corporate Applicant for the financial years 2019-20, 2020-21, 2021-22. The Corporate Applicant also enclosed list of financial creditors (secured/unsecured), list of properties given as security for the loans availed and extract of charges registered with the Registrar of Companies taken from MCA portal. The Corporate Applicant disclosed the names and addresses of the members of the Company with details of their shareholding, details of debt owed by or to the Corporate Applicant to or by persons connected with it and details of personal guarantors of the Corporate Applicant.
9. After hearing the submissions and upon perusing the supporting documents annexed with the Petition, this Bench is of the view that the Corporate Applicant has committed default and the Petition contains the particulars as required u/s 10 of the Code. The Corporate Applicant also suggested the name of Atul Mehta, Interim Resolution Profession along with his consent letter in Form II. Thus, the present Company Petition satisfies all the

necessary legal requirements for admission. Accordingly, the above Company Petition is admitted by passing the following:

ORDER

- a. The above Company Petition No. (IB) -184/(MB)/2022 is hereby allowed and initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against Anagha Steel Markeing Limited.
- b. This Bench hereby appoints **Atul Mehta** (atul@mehta-mehta.com), (Mobile No. 9820223978) Insolvency Professional, Registration No: IBBI/IPA-002/IP-N01062/2020-2021/13458 having registered office at: 201-206, 2nd Floor, Shiv Smriti Chambers, Above Corporation Bank, Worli 400018, Mumbai as the interim resolution professional to carry out the functions as mentioned under the Insolvency & Bankruptcy Code, 2016.
- c. The Corporate Applicant shall deposit an amount of Rs. 5 Lakh towards the initial CIRP cost by way of a Demand Draft drawn in favour of the Interim Resolution Professional appointed herein, immediately upon communication of this Order. The IRP shall spend the above amount only for expenses till his fee is decided by COC.
- d. That this Bench hereby prohibits the institution of suits or continuation of pending suits or proceedings against the corporate applicant including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority; transferring, encumbering, alienating or disposing of by the corporate applicant any of its assets or any legal right or beneficial interest therein;

any action to foreclose, recover or enforce any security interest created by the corporate applicant in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate applicant.

- e. That the supply of essential goods or services to the Corporate applicant, if continuing, shall not be terminated or suspended or interrupted during moratorium period.
- f. That the provisions of sub-section (1) of Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- g. That the order of moratorium shall have effect from the date of pronouncement of this order till the completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of corporate applicant under section 33, as the case may be.
- h. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.
- i. During the CIRP period, the management of the corporate applicant will vest in the IRP/RP. The suspended directors and employees of the corporate applicant shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP.
- j. Registry shall send a copy of this order to the Registrar of Companies, Mumbai, for updating the Master Data of the Corporate Applicant.

- k. Accordingly, this Petition is **admitted**.
1. The Registry is hereby directed to communicate this order to Corporate Applicant and IRP immediately.

Sd/-

**SATYA RANJAN PRASAD
MEMBER (TECHNICAL)**

Sd/-

**H.V. SUBBA RAO
MEMBER (JUDICIAL)**