

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH**

**COURT - IV**

13

C.P.(IB)-3482(MB)/2019

CORAM :

SHRI RAJASEKHAR V.K.  
MEMBER (J)

SHRI RAVIKUMAR DURAISAMY  
MEMBER (T)

ORDER SHEET OF THE HEARING HELD ON **03.12.2019**

Name of the Parties: Oriental Bank of Commerce  
V/s.  
Reliable paper (India) Ltd

SECTION 7 OF THE INSOLVENCY & BANKRUPTCY CODE, 2016

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**ORDER**

1. This is a Company Petition bearing No.: CP(IB)-3482(MB)/2019 filed by Oriental Bank of Commerce, under section 7 of the IBC, 2016 for initiation of CIRP against Reliable Paper (India) Ltd. (Corporate Debtor).

**Brief Facts:**

- I) The Total amount in default as on 30.06.2019 and payable by the Corporate Debtor to the Financial Creditor is Rs.54,43,61,950.17/- Crores together with further interest thereon at 16.5% p.a. compounded at monthly rests and started from 30.06.2019 till the date of full and final payment and other recoverable charges along with penal interest at 2% p.a. till the date of full and final payment and/or recovery. It is stated that the date of default by the Corporate

Debtor is 31.12.2010 and the computation of amount in default and days of default has been attached as "Annexure-C".

- II) It is further stated that the Original Application (O.A.) No. 93/2012 is pending before the Hon'ble Mumbai Debt Recovery Tribunal No. II. Further stated that no order or decree is passed as of date of filing of this Petition i.e. on 22.08.2019. The copy of O.A. No. 93/2012 is also attached along with this Petition.
- III) It has also been submitted that the Corporate Debtor has been declared by the Bank as Wilful Defaulter and reported to RBI. Further, the name of the Corporate Debtor has been reported in CRILC report as defaulters. A copy of the CRILC report generated on 16.10.2019 is also attached along with the Petition as Annexure-E1. Further, the required copies of the entries in the Bankers Book are also annexed and marked as "Annexure-F" of the Petition.
- IV) Further the Financial Creditor also submitted copy of the Sanction Letter dated 07.08.2008 as Annexure-G of the Petition, copy of the Board Resolution dated 30.08.2008 passed at the meeting of Board of Directors of the Corporate Debtor is also annexed and marked as "Annexure H." Copy of the Term Loan agreement dated 09.09.2008 between the Financial Creditor and the Corporate Debtor is marked as Annexure-K, other documents relating to Guarantee Agreement dated 09.09.2008 are marked as Annexure L and Annexure L1. Copy of the inter-se pari pasu agreement dated 19.09.2008 between the

participation banks in the Multiple Banking Arrangement marked as Annexure-M, copy of the second Sanction Letter dated 30.03.2010 from the Financial Creditor to the Corporate Debtor marked as Annexure-N, and copy of the Balance Confirmation dated 30.04.2010 issued by the Corporate Debtor and same is attached as "Annexure Q" to his Petition.

**Court Notice:**

- I) From the record, it is observed that the matter was listed on 30.09.2019 and the Court Notice addressed to the Corporate Debtor was handed over to the Counsel for the Financial Creditor for effecting service on the Corporate Debtor and to file the compliance report before the next date of hearing on 14.10.2019 and the matter was listed on 14.10.2019. Corporate Debtor did not appear on that date and the proof of service of the Court Notice on the Corporate Debtor was yet to be submitted by the Financial Creditor, therefore, the matter was listed on last occasion on 24.10.2019, on the date of hearing Ms. Nikita Pachalkar, Adv. i/b Rohini Amin, appears on 24.10.2019 and undertaken to file Vakalatnama, Board Resolution and Reply for which seven days' time was granted. Further, till today i.e. on 03.12.2019 Vakalatnama, Board Resolution have not been filed by the Corporate Debtor. Again, the matter was listed on 13.11.2019 on which date also no representation on behalf of the Corporate Debtor.

- II) From the record, it can be safely presumed that the Corporate Debtor did not make any appearance nor reply to the petition.
- III) Ld. Counsel for the Financial Creditor appeared today and made submission and prayed for admission of this petition and to initiate the CIRP against the Corporate Debtor namely Reliable Paper (India) Ltd. The Financial Creditor has also recommended the name of IRP viz. Mr. Girish Juneja, having Registration No. IBBI/IPA-001/IP-P00999/2017-18/11646 and the proposed Resolution Professional has also consented for the same vide his letter dated 12.04.2019.

### **Our Observation**

Upon perusal of the documents available on record and submissions made by the Ld. Counsel for the Financial Creditor, we are satisfied that it is a fit case for admission and to initiate CIRP against the Corporate Debtor. Accordingly, we admit this petition for initiation of CIRP against the Corporate Debtor namely Reliable Paper (India) Ltd. and 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 Financial 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.
  - (v) Notwithstanding the above, during the period of moratorium,- 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;
  - (vi) 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;
- (b) The moratorium shall have effect from the date of this order till the completion of the CIRP or until this Adjudicating Authority 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.

- (c) 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.
- (d) **Mr. Girish Juneja**, having **Registration No. IBBI/IPA-001/IP-P00999/2017-18/11646**, having address at 22, Dignity Apartments, Bon Bon Lane, 7 Bungalows, Versova, Andheri (W). Mumbai, Email Id: Junejagirish31@gmail.com, Contact No.7738894465 is hereby appointed as Interim Resolution Professional (IRP) of the Corporate Debtor to carry out the functions as mentioned under IBC. The fee payable to IRP or, as the case may be, the RP shall be compliant with such Regulations, Circulars and Directions issued/as may be issued by the Insolvency & Bankruptcy Board of India (IBBI). The IRP shall carry out his functions as contemplated under sections 15, 17, 18, 19, 20 and 21 of the IBC.
- (e) 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.

- (f) The Financial 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).
- (g) The Registry is directed to communicate this Order to the Financial 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.
- (h) 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)**

03.12.2019/svr