IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV

CP (IB) 1887/MB-IV/2019

Under section 9 of the Insolvency & Bankruptcy Code, 2016

In the matter of
M/s Precision Cut Industries
…Operational Creditor
Versus
Costra Advertising India Private Limited
Corporate Debtor

Order Delivered on 22.10.2019

Coram:

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

Appearances:

For the Operational Creditor	:	Mr Ulhas Shetty, Company Secretary in Practice (Authorised Representative)
For the Corporate Debtor	:	No representation

ORDER

Per: Rajasekhar V.K., Member (Judicial)

1. This is a Company Petition filed under section 9 of the Insolvency & Bankruptcy Code, 2016 **(IBC)** by M/s Precision Cut Industries

("the Operational Creditor"), a partnership firm represented by its Partner, Manisha Dutta, seeking to initiate Corporate Insolvency Resolution Process (CIRP) against Costra Advertising India Private Limited ("the Corporate Debtor").

2. The Corporate Debtor is a private company limited by shares and incorporated on 29.01.2007 under the Companies Act, 1956, with the Registrar of Companies (RoC), Maharashtra, Mumbai. Its Corporate Identity Number (CIN) is U22190MH2007PTC167348. Its registered office is at 402-A, Atlas Skywalker, 4th Line Road (Andheri (West), Mumbai, Maharashtra 400 053. Therefore, this Bench has jurisdiction to deal with this petition.

3. The present petition was filed on 10.05.2019 before this Adjudicating Authority on the ground that the Corporate Debtor failed to make payment of a sum of Rs.14,73,005.00 (Rupees fourteen lakh seventy-three thousand and five only) as principal as on 01.01.2017, which is the date of default.

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

   (a) The Operational Creditor provided Laser Cutting Services to the Corporate Debtor, which is in the business of manufacturing of paper and paper products, publishing, printing and reproduction of recorded media and other business. (para 1 of Part IV at page 7 of the Petition).

5. Invoices have been placed on record as **Exhibit 'F'** at pp.31-43. The invoices do not provide for interest in case of delayed payments. Bank statements are also attached as **Exhibit '4'** at pages Additional Affidavit dated 08.09.2019. The total debt due and payable to the Operational Creditor is Rs.14,73,005.00 (Rupees fourteen lakh seventy-three thousand and five only), as mentioned at page 9 of the Petition.

6. The Operational Creditor had served a Demand Notice in Form 3 dated 12.03.2019 to the Corporate Debtor (**Exhibit 'H'**, pp.49-56) in terms of section 8 of the IBC. The Corporate Debtor has not replied to the Demand Notice.

7. The Corporate Debtor did not respond to the Petition nor were they represented at any stage of the proceedings.

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

9. The Demand Notice dated 12.03.2019 has been duly served on the Corporate Debtor on 08.04.2019, as per tracking information placed at Exhibit I to the Petition at pp.90-94. The Corporate Debtor has not replied to the Demand Notice. The Petition itself has been served on the Corporate Debtor on 11.05.2019. Court Notice ordered in the matter was also served on 24.08.2019. One more opportunity was given in the form of private notice as

ordered by the Court, about the hearing fixed on 09.09.2019. In spite of these ample opportunities, the Corporate Debtor has not bothered to enter any appearance or file a reply in the matter. Therefore, we are constrained to proceed on the basis of the materials available on record.

10. There are a total of twelve invoices, dated between 30.06.2016 and 25.05.2017 (both dates inclusive). Each of these invoices carry the number of the Purchase Orders placed by the Corporate Debtor. The Purchase Orders are placed on record as Exhibit F at pp.20-30 of the Petition. The invoices have also been duly acknowledged with seal and signature by the Corporate Debtor.

11. The ledger account statement in respect of the Corporate Debtor placed at pp.44-48 has also been acknowledged with seal and signature by the Corporate Debtor. It clearly shows that a sum of ₹14,73,005/- (Rupees fourteen lakh seventy-three thousand and five only) is due and payable by the Corporate Debtor to the Operational Creditor.

12. Therefore, there is no doubt that there was supply of services by the Operational Creditor in favour of the Corporate Debtor and also that a sum of ₹14,73,005/- is due and payable in this regard.

13. 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.

14. The Operational Creditor has not proposed the name of any Interim Resolution Professional (IRP) in the matter.

15. It is, accordingly, hereby ordered as follows: -

    (a) The petition bearing **CP(IB) 1887/MB-IV/2019** filed by **M/s Precision Cut Industries,** 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 **Costra Advertising India Private Limited [CIN: U22190MH2007PTC167348],** 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) The Operational Creditor has not proposed the name of any Interim Resolution Professional (IRP) in the matter. Therefore, the IRP shall be appointed by this Adjudicating Authority by a separate order.

(f) 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.

(g) The fee payable to IRP or, as the case may be, the RP shall be compliant with such Regulations, Circulars and Directions as may be issued by the Insolvency & Bankruptcy Board of India (IBBI). The IRP shall carry out the functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the IBC.

(h) 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.

(i) 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).

(j) The Registry is directed to communicate this Order to the Operational Creditor and the Corporate Debtor by Speed Post and email immediately, and in any case, not later than two days from the date of this Order. A copy of this Order shall also be communicated to the IRP immediately such appointment.

(k) 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)

22.10.2019