



NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COURT VI

Item No. 1

C.P. (IB)/22(MB)2025

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **12.03.2025**

NAME OF THE PARTIES: **Bank of India**

Vs

Vishal Structurals Private Limited

For Applicant/Petitioner:

For Respondent:

IBC Under Sec 7

ORDER

The case is fixed for the pronouncement of the order. The order is pronounced in the open court, vide separate sheet.

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)
//Arshad//

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH – VI, MUMBAI**

CP(IB)/22/MB/2025

(An Application filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

*In the matter of **M/s. Vishal Structurals Private Limited***

Bank of India

Having its Branch Office at
Bank of India, Asset Recovery Branch,
Bank of India Building, Ground Floor,
Plot No. 11, CBD Belapur,
Navi Mumbai- 400 614.

... Applicant/Financial Creditor

VERSUS

Vishal Structurals Private Limited

Having its Registered Office at
Unit No. 701-706, 7th Floor,
Krishna Govind Tower,
Plot No. 22-26, Sector No. 24, Vashi,
Navi Mumbai- 400705.

...Respondent/Corporate Debtor

Order pronounced on 12.03.2025

CORAM:

SH. NILESH SHARMA, HON'BLE MEMBER (JUDICIAL)

SH. SAMEER KAKAR, HON'BLE MEMBER (TECHNICAL)

APPEARANCE (IN V-C MODE):

For Financial Creditor : Adv. Deepali Jaiswar.

For Corporate Debtor : Adv. Manish Jha.



ORDER

Per: SAMEER KAKAR, MEMBER (TECHNICAL)

1. This is an application filed by the Bank of India (hereinafter referred to as "Financial Creditor") against *Vishal Structurals Private Limited* (hereinafter referred to as "Corporate Debtor") under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC), seeking to initiate the Corporate Insolvency Resolution Process ('CIRP') against the Corporate Debtor, to appoint IRP and to initiate moratorium.
2. From Part I of the application, it is seen that the Financial Creditor is a Nationalized Bank.
3. From Part II of the application, it is seen that the Corporate Debtor is a Private Limited Company incorporated on 21.06.1983 bearing CIN No. U28920MH1983PTC030252. The registered office of the Corporate Debtor is situated at Unit No. 701-706, 7th Floor, Krishna Govind Tower, Plot No. 22-26, Sector No. 24, Vashi, Navi Mumbai-400705.
4. The perusal of Part III of the application reveals that the Financial Creditor has named Mr. Prashant Jain as IRP. The IRP Registration number is IBBI/IPA-001/IP-P01368/2018-2019/12131. The consent of the IRP is attached at Exhibit-04 and AFA is valid till 31.12.2025.



5. From Part IV of the application, it is seen that various credit facilities were sanctioned and granted by the Applicant herein to the Corporate Debtor. The details of various limits sanctioned and granted are as under: -

Sr. No.	Nature of facility	Amounts Rs. /crores
01	Cash credit (Stock)	12.00
02	Cash credit (Book Debts)	13.60
03	Bank Guarantee	40.10
04	Letter of credit	3
	TOTAL	68.70

6. In addition to the above, the Applicant has sanctioned Term Loan-I under GECL of Rs. 5.10 crores and Term Loan-II under GECL term of Rs. 2.55 crores, totaling to Rs. 7.65 crores. Sanction letters for the above facilities are appended as Exhibits-5, 6 & 7.

7. It is stated that the Corporate Debtor has defaulted for a sum of Rs. 62,48,23,747.86 (Rupees Sixty-Two Crores Forty-Eight Lakhs Twenty-Three Thousand Seven Hundred and Forty-Seven and Eighty-Six paisa only) as on 26.09.2024. A sum of Rs. 51,98,73,225.73 (Rupees Fifty-One Crores Ninety-Eight Lakhs Seventy-Three Thousand Two Hundred and Twenty-Five and paisa Seventy-Three only) is towards principal outstanding and the remaining amount is outstanding towards interest.



8. It is stated that the date of default for each of the facilities is different, the first date of default was 30.05.2022 and the last date of default was 17.11.2022.
9. The account of the Corporate Debtor was declared as NPA and the date of NPA is 28.07.2022.
10. The Applicant has attached various statements of accounts at Exhibit-9. The statement of uncharged interest is annexed at Exhibit-10. The statement of Bank Guarantee is annexed at Exhibit-11.
11. The Applicant has attached the NeSL record of default at Exhibit-12. A perusal of the same reveals that the status of authentication is "authenticated"
12. The Applicant has attached the NPA Certificate dated 20.06.2024 at Exhibit-13.
13. The Applicant has stated that it has filed a suit before Hon'ble Debts Recovery Tribunal, Mumbai on 16.02.2024.
14. A perusal of Part V of the application reveals that the Applicant is holding the following securities:

1.	<u>Principal Security:</u> (i) Hypothecation of Stock of Raw materials like stainless steel rods, M.S. Structural, paints electrodes, etc. (ii) Hypothecation of Book Debts/receivables.
	<u>Collateral Security:</u>



- i. All that piece and parcel of leasehold land bearing Plot No. B-45 area admeasuring 1000 sq. mtrs. in the Engineering Zone, Taloja Industrial Area, MIDC within the Village Limits of Pendhar and Navade, Taluka Panvel, District Raigad in the registration SubDistrict Panvel District Raigaid together with buildings, structures, sheds standing thereon both present and future with fixtures, fittings erected or installed thereon presently valued at INR 3,51,00,000/- approx.
- ii. All that piece and parcel of leasehold land bearing Plot No. B-46 area admeasuring 1000 sq. mtrs. in the Engineering Zone, Taloja Industrial Area, MIDC within the Village Limits of Pendhar and Navade, Taluka Panvel, District Raigad in the registration SubDistrict Panvel District Raigaid together with buildings, structures, sheds standing thereon both present and future with fixtures, fittings erected or installed thereon presently valued at INR 3,51,00,000/- approx.
- iii. Unit No. 701-706 on the 7th Floor, area admeasuring 2564 Sq. ft. aggregate in the building known as Krishna Govind Tower, Plot No. 22 - 26, Sector No. 24, Vashi, Navi Mumbai - 400 705 in the registration District of Thane presently valued at INR 7,18,96,000/- approx.
- iv. Unit No. 401, 404, 405, 406 on the 4th Floor, area admeasuring 1918 sq. fi. in the building known as Krishna Govind Tower, Plot No. 22 - 26, Sector No. 24, Vashi, Navi Mumbai - 400 705 in the registration District of Thane presently valued at INR 3,64,42,000 approx.



	<p>v. Flat No. D-1902 on the 19th Floor, admeasuring 1150 sq. ft. and stilt covered parking No. 17 admeasuring 180 sg. ft. in the D -Wing of the building known as Runwal Centre Building D and E Wing CHSL, Behind Deonar Bus Depot, Deonar, Murnbai - 400 088, constructed on land bearing CTS No. 402B, 402/B/L and 402B/3, situate, lying and being at Village Deonar. Taluka Kurla in the registration District and Sub-District of Mumbai Suburban and within the limits of M East Ward of Municipal Corporation of Greater Mumbai presently valued at INR 2,76,00,000 approx.</p> <p>Personal/Corporate Guarantors:</p> <p>i. Mr. Kishore Krishnamoorthy</p> <p>ii. Mr. M. N. Krishnamoorthy</p> <p>iii. Mis. Vishal Tanks and Pipelines Pvt. Ltd</p> <p>ESTIMATED VALUE OF THE AFOREMENTIONED SECURITY:</p> <p>As per the Applicant herein, the estimated fair market value of the aforementioned securities is obtained from the valuers and details of the assets are mentioned in the Valuers Report dated 19.03.2022.</p> <p>Copies of the valuation reports dated 19.03.2022 are annexed as Exhibit -14 (Colly).</p>
2	<p>Documents attached with respect to credit facilities availed from the Applicant as stated in Part V of the Application are as stated below:</p> <p>A. Credit Facilities of INR 68,70,00,000/- (Indian Rupees Sixty-Eight Crores Seventy Lakhs Only)</p>



1. A copy of the Sanctioned Letter dated 05.04.2017 for Working Capital Fund Based loan and Working Capital Non-Fund Based loan for INR 68.70 Crores- is annexed and marked as **Exhibit-5.**
2. Copy of Hypothecation cum Loan Agreement in respect of Cash Credit dated 29.05.2017 is annexed and marked as **Exhibit- 15.**
3. Copy of Composite Agreement (L-516) in respect of Cash Credit dated 29.05.2017 is annexed and marked as **Exhibit-I6.**
4. Copy of General Counter Guarantee and Indemnity in respect of Bank Guarantee dated 29.05.2017 is annexed and marked as **Exhibit-I7.**
5. Copy of Deed of Guarantee executed by Mr. M.N. Krishnamoorthy, Mr. Kishore Krishnamoorthy and MIs. Vishal Tanks and Pipelines Private Ltd. dated 29.05.2017 is annexed and marked as **Exhibit-I8.**
6. Copy of General Counter Guarantee and Indemnity by Sureties in respect of Bank Guarantee dated 29.05.2017 is annexed and marked as **Exhibit-19.**
7. Copy of LG-444 documents in respect of Bank Guarantee dated 14.05.2020 is annexed and marked as **Exhibit-20.**

B. Working Capital Term Loan of INR 5,10,00,000 (Indian Rupees Five Crores Ten Lakhs Only)

1. Copy of the Sanctioned Letter dated 14.08.2020 for Working Capital Term Loan - I under GECL Scheme for INR 5.10 Crores is annexed and marked as **Exhibit- 6**
2. Copy of Demand Promissory Note for INR 5.10 Crores dated 14.08.2020 is annexed and marked as **Exhibit-21.**
3. Copy of Supplemental Loan Cum Hypothecation agreement dated 14.08.2020 is annexed and marked as **Exhibit-22.**



4. Copy of Composite Agreement dated 14.08.2020 [s annexed and marked as **Exhibit-23**

5. Copy of Deed of Guarantee executed by Mr. M.N. Krishnamoorthy, Mr. Kishore Krishnamoorthy and Mis. Vishal Tanks and Pipelines Private Ltd. dated 14.08.2020 is annexed and marked as **Exhibit-24.**

C. Working Capital Term Loan of INR 2,55,00,000 (Indian Rupees Two Crores Fifty-Five Lakhs Only)

1. Copy of the Sanctioned Letter dated 02.11.2021 for Working Capital Term Loan - II Under GECL Scheme for INR 2.55 Crores is annexed and marked as **Exhibit- 7.**

2. Copy of Demand Promissory Note for INR 2.55 Crores dated 02.11.2021 is annexed and marked as **Exhibit- 25.**

3. Copy of Supplemental Loan Cum Hypothecation agreement dated 02.11.2021 is annexed and marked as **Exhibit- 26.**

4. Copy of Deed of Guarantee executed by Mr. M.N. Krishnamoortby, Mr. Kishore Krishnamoorthy and M/s. Vishal Tanks and Pipelines Private Ltd dated 02.11.2021 is annexed and marked as **Exhibit-27.**

15. The Applicant has attached following others documents along with the application:

- i. The copy of statement of normal uncharged interest is annexed as Exhibit -10.



- ii. The copy of statement of Bank Guarantee as on 21.09.2024 is annexed as Exhibit -11.
 - iii. Copy of NeSL Records for Loan account number 011630110000019,011670310000025 and 011670310000036 are annexed as Exhibit- 12 (Colly).
 - iv. Copy of NPA Certificate dated 20.06.2024 is annexed as Exhibit-13.
16. The application is affirmed by one Mr. Sangram Singh, acting as Chief Manager of Bank of India.
17. This case was listed on 13.01.2025 whereat Ld. Counsel for the Financial Creditor sought one week's time to file affidavit clarifying the date of default. Pursuant to the said order, an additional affidavit was filed, which is dated 03.02.2025. It is stated by the Applicant at para 5 as under: -
- "Due to multiple facility having respective date of defaults as detailed above, it is clarified that for the purpose of this petition, the date of NPA is to be considered as a date of default which is 28.07.2022".*
18. Registered notice was issued on 04.02.2025. Pursuant to the said notice, the Corporate Debtor has filed its reply under affidavit affirmed on 28.02.2025. The said affidavit is affirmed by one Mr. Kishore Krishnamoorthy, who is stated to be a director of the Corporate Debtor.



19. The salient points in reply are as under:

- (i) In para 3-d & 3-f of its reply, the Corporate Debtor has admitted that various facilities as mentioned by the Financial Creditor in its application, were sanctioned and granted.
- (ii) It is stated that due to Covid-19, the Corporate Debtor started facing financial difficulties, leading to irregular payments.
- (iii) The financial assistance provided by the Applicant helped mitigating losses to some extent, but not sufficient to restore the business to a sustainable level.
- (iv) It is stated that one of the customers invoked a bank guarantee of Rs. 7 crores during Covid-19, citing delay in project completion, which further aggravated the financial position of the Corporate Debtor.
- (v) In para 3(i), Corporate Debtor has stated as under:
"as a result, we are unable to repay the debt to the Financial Creditor, as stated in the Petition. The total outstanding debt as of 03.07.2024 was INR 5666.22 Lakhs".
- (vi) Under para 3-l, there is further admission on the side of the Corporate Debtor when they say that *"the Respondent has consistently demonstrated its*



willingness to repay the borrowings due to the Applicant”.

(vii) Under para 3-m, it is stated that one restructuring proposal was presented to the Financial Creditor, however, it appears that the same could not find favour with the Financial Creditor.

(viii) Under para 3-n, the Corporate Debtor has stated that they had also given one OTS proposal dated 23.08.2024, a copy of which is attached in Annexure-02 to the reply.

20. In conclusion, the Corporate Debtor states that the default has arisen because of Covid-19 pandemic and that they are ready to settle with the Financial Creditor by way of OTS.

21. During the hearing on 10.03.2025, Ld. Counsel for the Financial Creditor stated that the OTS proposal is prior in time to the filing of this application, which is dated 03.10.2024 and the Financial Creditor had already rejected the OTS proposal.

22. It was also pointed out that the entire loan amount has since been recalled through recall notice, dated 28.01.2024 issued by the advocate of the Financial Creditor, which forms part of the Application as Exhibit-32.

23. We have heard the various Counsels for the parties as appearing before us and have perused the documents.



24. It is the case of the Applicant that a sum of Rs. 62,48,23,747.86 (Rupees Sixty-Two Crores Forty-Eight Lakhs Twenty-Three Thousand Seven Hundred Forty-Seven and Paisa Eighty-Six only) out of which, the principal amount is Rs. 51,98,73,225.73 (Rupees Fifty-One Crores Ninety-Eight Lakhs Seventy-Three Thousand Two Hundred and Twenty-Five and Paisa Seventy-Three only) and the remaining amount is interest.
25. It is stated that various facilities were sanctioned to the Corporate Debtor by the Financial Creditor and the Corporate Debtor could not maintain financial discipline.
26. We have seen the reply by the Corporate Debtor and in our view, the Corporate Debtor has unequivocally admitted to having received the financial assistance and also having committed the default.
27. The Corporate Debtor has sought OTS from the Financial Creditor, which was not accepted.
28. In our view, the application is complete. The amount of default is in excess of Rs. 1 crore and crosses the threshold prescribed under Section 4 of IBC, 2016.
29. In view of the above findings, we are constrained to order for admission of the present application and to declare moratorium. Accordingly, in light of the above facts and circumstances, it is hereby ordered as under:



- i. The Respondent/Corporate Debtor- M/s. **Vishal Structural Private Limited**, is admitted in the Corporate Insolvency Resolution Process under Section 7 of the IBC, 2016.
- ii. As a consequence, thereof, the moratorium under Section 14 of the IBC, 2016 is declared for prohibiting all of the following in terms of Section 14(1) of the IBC, 2016:
 - a) 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;
 - b) transferring, encumbering, alienating or disposing of by the Corporate Debtor 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 Corporate Debtor 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 Corporate Debtor;



- e) The provisions of sub-section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to the Corporate Debtor.
- iii. The order of moratorium shall have effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this 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 of the IBC, 2016, as the case may be.
- iv. It is further directed that the supply of essential goods/services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period as per provisions of sub-sections (2) and (2A) of Section 14 of IBC, 2016.
- v. Since the Applicant has named an IRP, we hereby appoint **Mr. Prashant Jain** having registration no. **IBBI/IPA-001/IP-P01368/2018-2019/12131 as the IRP** of the Corporate Debtor.
- vi. The IRP shall perform all his functions as contemplated, inter-alia, under Sections 17, 18, 20 & 21 of the IBC, 2016.



It is further made clear that all personnel connected with the Corporate Debtor, its Promoters or any other person associated with the management of the Corporate Debtor are under legal obligation under section 19 of the IBC, 2016 for extending assistance and co-operation to the IRP. Where any personnel of the Corporate Debtor, its Promoter or any other person required to assist or co-operate with IRP, do not assist or co-operate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

- vii. This Adjudicating Authority directs the IRP to make a public announcement for the initiation of CIRP and call for the submission of claims under Section 15, as required by section 13(1)(b) of the IBC, 2016.
- viii. The IRP is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever.
- ix. The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority periodical reports with regard to the progress of the CIRP in respect of the Corporate Debtor.
- x. The IRP shall be under duty to protect and preserve the value of the property of the Corporate Debtor and manage the operations of the Corporate Debtor as a going concern,



to the extent possible, as a part of obligation imposed by Section 20 of the IBC, 2016.

- xi. **The Financial Creditor is directed to pay an advance of Rs. 2,00,000/-** (Rupees Two Lakhs Only) to the IRP within a period of 7 days from the date of this order **to meet the cost of CIRP** arising out of issuing public notice and inviting claims etc. till the CoC decides about his fees/expenses.
- xii. The Registry is directed to communicate a copy of this order to the Financial Creditor, Corporate Debtor and to the IRP and the concerned Registrar of Companies, after completion of necessary formalities, within seven working days and upload the same on the website immediately after the pronouncement of the order. The Registrar of Companies shall update its website by updating the Master Data of the Corporate Debtor in MCA portal specifically mentioning regarding admission of this Application and shall forward the compliance report to the Registrar, NCLT.
- xiii. The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.



30. **Accordingly, CP (IB)/22 (MB)2025 stands admitted.** A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)
(AJ)

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)