

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

CP (IB) 2824/MB/2019

Under Section 7 of the I&B Code, 2016

In the matter of

Punjab National Bank,

Branch Office: PNB House, P.M Road,
Fort, Mumbai-400001.

... Petitioner

V/s

M/s Paramount Content Syndicators
Private Limited,

Shop No. 70, 1st Floor, Krystal Avenue
CHS Ltd. R.N.A. Arcade, Lokhandwala
Complex, Andheri West, Mumbai-
400053.

... Corporate Debtor

Order delivered on: 14.10.2019

Coram:

Hon'ble Smt. Suchitra Kanuparthi, Member (J)
Hon'ble Shri V. Nallasenapathy, Member (T)

For the Petitioner: Adv. Falguni Shete i/b Intralegal

For the Corporate Debtor: Adv. Gautam Ankhad a/w Adv. Parul Sharma a/w
Adv. Jigar Kamdar i/b Parul Sharma ANM Global Inc.

Per: Suchitra Kanuparthi, Member (Judicial)

ORDER

1. Punjab National Bank (hereinafter called 'Petitioner') has sought the Corporate Insolvency Resolution Process against M/s Paramount Content Syndicators Private Limited (hereinafter called the 'Corporate Debtor') on the ground that the Corporate Debtor committed default to the extent of ₹15,78,08,823/-, as provided under Section 7 of Insolvency and Bankruptcy Code, 2016 (hereafter called the 'Code') read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.



2. The particulars of computation of amount and days of default as mentioned below:

Particulars	Amount
Principal Amount outstanding as on 12.10.2018 Date of NPA	14,27,75,096.55
Add: Compound Interest from NPA date i.e. 01.10.2018 to 31.12.2018 @ 11.95% and thereafter from 01.01.2019 to 17.07.2019 @ 12.30 (including DI(contractual) (compounding)	1,43,39,492.97
Add: Penal Interest @2% (simple) from 01.10.2018 to 17.07.2019	20,98,971.29
Other Charges	62,263.00
Less: Recovery (Including DI)	14,67,000.00
Total Suit Claim Amount	15,78,08,823.81

3. The Petitioner Punjab National Bank had granted an Overdraft facility of ₹14,00,00,000/- vide Agreement dated 25.01.2017 to the Corporate Debtor.
4. The Petitioner enclosed the following documents in support of the Overdraft Facility granted to the Corporate Debtor:
- Agreement of Overdraft dated 25.01.2017 between the Petitioner and the Corporate Debtor;
 - Copy of Undertaking dated 25.01.2017
 - Sanction letter dated 25.01.2017;
 - Personal Guarantee Agreement dated 25.01.2017;
 - Declaration & Confirmation of Deposit of Title deeds for Creation of Mortgage dated 25.01.2017;
5. The Petitioner enclosed the Statements of accounts of the overdraft facility of the Corporate Debtor for the period from 25.01.2017 to 11.12.2018. The Petitioner also submitted the calculation showing that a sum of Rs ₹15,78,08,823.81/- is due from the Corporate Debtor is on 1.7.2019. The Petitioner has also annexed Commercial Credit Information Report of TransUnion (CIBIL) dated 23.07.2019 to further show the default of Corporate Debtor.



6. The Petitioner submits that the Corporate Debtor's account was declared as non-performing assets (NPA) on 12.10.2018. The Petitioner issued notices on 20.10.2018 and 07.01.2019 under Sections 13(2) and 13(4) of SARFAESI Act respectively.
7. The Corporate Debtor in their reply submitted the followings:
- The petitioner granted overdraft facility (Loan) of Rs 14 crores against the collateral security of residential property owned by M/s Krishna family private trust.
 - The Corporate Debtor suffered significant losses due to several economic factors which were beyond their control and due to the financial crunch defaulted in payment of the instalment dues to the Petitioner.
 - The petitioner classified their account as NPA on dated 12.10.2018.
 - The petitioner failed to respond to the restructuring proposal dated 30.11.2018 submitted to the Corporate Debtor.
 - The resolution plan dated 08.03.2019 submitted by the Corporate Debtor was rejected by the petitioner.
 - The petitioner failed to cooperate with the corporate debtor who is a MSME enterprise
 - The petitioner without assigning any reason rejected the One Time Settlement (OTS) proposal of ₹13.09 Crores submitted by the Corporate Debtor under the scheme for the resolution for Scheme for Resolution of Stressed MSME Assets (SASHAKT) scheme of the Petitioner.
 - The petition is incomplete and not in lines of the requirements laid down under IBC, hence the petition deserves to be rejected.
8. Both the parties were heard at length and upon perusal of facts, it can be said that the Corporate Debtor has evidently admitted the debt and default, it is proved that there is a clear debt and default, hence the petition deserves to be admitted. The other contentions of the Corporate Debtor with regard to restructuring, resolution, MSME and OTS will not stand in the way of admission of this petition and hence rejected.
9. This Adjudicating Authority, on perusal of the documents filed by the Creditor, is of the view that the Corporate Debtor defaulted in repaying



the loan availed and also placed the name of the Insolvency Resolution Professional to act as Interim Resolution Professional and there being no disciplinary proceedings pending against the proposed resolution professional, therefore the Application under sub-section (2) of Section 7 is taken as complete, accordingly this Bench hereby admits this Petition prohibiting all of the following of item-I, namely:

- I. (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 Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act);
- (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.
- II. That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period.
- III. 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.
- IV. That the order of moratorium shall have effect from 14.10.2019 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 Debtor under Section 33, as the case may be.
- V. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under Section 13 of the Code.
- VI. That this Bench hereby appoints, Mr. Vipul Mittal, having his address at, 501, 5th Floor, Shrishti Square Complex Sonapur Junction, LBS Marg, Bhandup West Mumbai-400078 having Registration No. IBBI/IPA-001/IP/P01612/2018-2019/12446 as Interim Resolution



Professional to carry the functions as mentioned under Insolvency & Bankruptcy Code.

10. Accordingly, this Petition is admitted.
11. The Registry is hereby directed to communicate this order to both the parties and the Interim Resolution Professional immediately.

Sd/-

V. Nallasenapathy

Member (T)

Sd/-

Suchitra Kanuparthi

Member (J)



Certified True Copy
Copy Issued "free of cost"
On 15/10/19

B. A. Patel

Deputy Registrar
National Company Law Tribunal Mumbai Bench
Government of India