

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

C.P. No.2019/I&BP/2019

Under section 7 of the IBC, 2016

In the matter of

Corporation Bank,

Overseas Branch, CI, West Core Tower

No.3, Bharat Diamond Bourse Complex,

G Block, BKC Off. Bandra Kurla Link

Road, Bandra (East), Mumbai-400051

....Petitioner

v/s.

Firestar International Limited,

2001 & 2002, 20<sup>th</sup> Floor, Peninsula Business

Park, Tower-B, Ganpatrao Kadam Marg, Lower

Parel, Mumbai, Mumbai City, MH-400013

....Corporate Debtor

Order Pronounced on: 18.11.2019

Order delivered on : 17.03.2020

Coram: Hon'ble Bhaskara Pantula Mohan, Member (Judicial)

Hon'ble V Nallasenapathy, Member (Technical)

For the Petitioner : Mr. Rohan Agarwal i/b MDP Partners

For the Respondent: None Present

*Per: Bhaskara Pantula Mohan, Member (Judicial)*

**ORDER**

1. This Company Petition is filed by Corporation Bank (hereinafter called "Petitioner") seeking to set in motion the Corporate Insolvency Resolution Process (CIRP) against Firestar International Limited (hereinafter called "Corporate Debtor") alleging that Corporate Debtor committed default in making payment to the extent of Rs. 41,31,08,554/- 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. On perusal of the Petition it reveals that the Petitioner entered into a consortium lending agreement with Punjab National as lead Bank along with other 15 other financial lenders whereby the various credit facilities have been sanctioned by the Petitioner Bank from time to time. The Petitioner has enclosed the computation of amount due from the Corporate Debtor at Exhibit F-1 provides as below.

Name of Facility	Facility A/c No.	NPA Date	Principal As on	Rate of Interest	Normal Interest charged	Penal Interest	Total Interest	Other Charges	Final O/s as on 30.04.2019
PCL/PCFC/PRTBL	56075600015037 567511000035072	31.03.2018	11695525.00	16.95%	2865412.00	383333	-4136680	10807590	
Post Shipment Finance	578101000000543/ 565711000035045	31.03.2018	324582157.00	16.95%	61778413.00	8264671	70043084	5895574	400520815
CA (Debit Balance)	510101006229874	31.03.2018	886436	18.95%	487724	57548	545272	348441	1780149

3. The Petitioner has enclosed sanction letters dated 19.12.2012, 12.02.2013, 26.03.2013, 08.02.2014, 16.06.2015 and 31.03.2017.
4. The Petitioner has enclosed the following loan and security documents in connection with the sanction of loan: -
- Copy of Interse Agreement dated 25.06.2013 & 03.11.2014.
  - Security Trustee Appointment Agreement dated 25.06.2013 & 03.11.2014.
  - Deed of Hypothecation Dated 29.06.2013 & 11.11.2014.
  - Working Capital Facilities Agreement dated 03.11.2014 & 11.11.2014.
  - Documents in respect of equitable mortgage & Charge.
  - Copy of Revival Letter dated 12.09.2016.
5. Since, the Corporate Debtor failed to repay the outstanding dues, the Petitioner had issued several letters and reminders demanding for repayment of outstanding dues. Despite receipt of aforesaid notices and reminders, Corporate Debtor failed to repay the dues as a result of which the account of corporate debtor has classified as Non-Performing Asset on 31.12.2017 as per Reserve Bank of India Prudential Norms.
6. The Petitioner has enclosed the Statement of Account for the aforesaid credit facilities granted to the Corporate Debtor which shows that the amount claimed in the Petition is in consonance with the Statement of Account. The Petitioner has also enclosed the CRILC report, Certificate under the Banker Book Evidence Act, 1891.

7. The Petitioner submits that the Petition was served on the Corporate Debtor and notice was served intimating the date of hearing. On 16.07.2019, this Bench directed the Petitioner Bank to go for substituted service by way of publication. The Petitioner complied with the directions of this Bench and filed affidavit of service to that effect. Despite publication of notice, the corporate Debtor neither appeared nor filed reply in rebuttal. There is therefore, no reason to disbelieve the contentions of the Petitioner bank.
8. The Adjudicating Authority, on perusal of the documents filed by the Creditor, is of the view that the Corporate Debtor defaulted in repaying the loans 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 Securitization 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 18.11.2019 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. Ram Ratan Kanoongo, M/s Headway Resolution and Insolvency Services Private Limited, 1006, Raheja Center, 10<sup>th</sup> Floor, Nariman Point, Mumbai-400021 email-id [ram@headwayip.com](mailto:ram@headwayip.com), having Registration No. IBBI-/IPA-001/IP-P00070/2017-18/10156, as interim resolution professional to carry the functions as mentioned under the Insolvency & Bankruptcy Code.

9. The Registry is hereby directed to communicate this order to both the parties as well as IRP immediately.

V NALLASENAPATHY  
Member (Technical)  
/NP/

BHASKARA PANTULA MOHAN  
Member (Judicial)