



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

CP (IB) No. 29/CB/2022

In the Matter of:

An application under section 7 of Insolvency and Bankruptcy Code 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016.

-And-

In the Matter of:

Canara Bank, having its registered office at: 122, J.C. Road, Bangalore – 560002

...Financial Creditor

-Versus-

Grid Steel & Alloys Limited, having its registered office at; Flat No-3, 3rd Floor, Mayuree Plaza, Near Old Bus stand, Berhampur, Odisha- 760001

...Corporate Debtor

Appearances

For the Applicant : Mr. Saswat. K. Acharya, Adv

For the Respondent : Mr. Satya Smruti Mohanty, Adv

Order reserved on: 24.01.2023

Order Pronounced on: 31.01.2023

Coram:

Shri P. Mohan Raj : Member (Judicial)
Shri Satya Ranjan Prasad : Member (Technical)

ORDER

Per: P. Mohan Raj, Member (Judicial)

1. This application under section 7 of Insolvency and Bankruptcy Code, 2016 with rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating



Authority) Rules 2016, has been filed by the **Canara Bank** thereby seeking initiation of Corporate Insolvency Resolution Process (CIRP) in respect of **Grids Steel & Alloys Ltd**, (Herein and after referred as the corporate debtor).

2. It is submitted in the petition that the corporate debtor has been banking with the Petitioner and availed cash credit loan of Rs.5.20 crores and term loan of Rs.28 crores on 02.12.2013. The respondent committed default in re-payment of loan hence the account of the corporate debtor was declared as NPA on 02.08.2016. Then at the request of the corporate debtor loan was restructured on 03.06.2017. The one-time settlement proposal was submitted by the corporate debtor on 29.12.2018. The second one-time settlement proposal was submitted on 18.03.2019, by applying the Apex court SUO MOTO W.P.No.3 of 2020 order dated 10.01.2022 this application was filed on 02.06.2022, is within time.

3. On the respondent side admitted the borrow and default, the contention of respondent is the default occurred that due to the disbursement of loan amount was delayed by the petitioner. By reason of failure on the part of the financial creditor in sanctioning and disbursing the moneys brought in by the company could not be repaid. Due to the fault of the financial creditor the company could not perform as per the estimated projection. On the respondent side thrown blame upon the entire liability on the petitioner stating that because of inaction of the petitioner the project was failed and the company was unable to pay.

4. The plea of legitimate expectation raised on the respondent side cannot be adjudicated in this proceeding, further there is a debt exceeding threshold amount and default these twin elements are enough to admit the petition. The



requisite of an application under section 7 of IBC are available on record and duly proved.

5. The financial creditor has taken consent from **Mr. Giridhari Lal Sharma**, registration No. **IBBI/IPA-001/IP-P00391/2017-2018/10709** having contact address- A/1, P.C. Plaza, Bomikhal, Bhubaneswar-751006, an insolvency Professional to become interim Resolution Professional (IRP) of the Corporate Debtor in FormNo.2 and that no disciplinary proceedings are pending against him.

6. We therefore consider it a fit case for admitting the petition, and for initiation of Corporate Insolvency Resolution Process in respect of the corporate debtor.

7. In view of the aforesaid observations, we hereby admit the petition and pass the following Orders.

(a) The petition bearing CP(IB)No.29/CB/2022 Canara Bank, the financial creditor, under section 7 of Insolvency and Bankruptcy Code 2016 read with rule 4 (1) of Insolvency and Bankruptcy (Petition to Adjudicating Authority) Rules, 2016 for initiating CIRP against Grids Steel & Alloys Ltd, the corporate debtor is **admitted**.

(b) There will be a moratorium under section 14 of the Code.

(c) The moratorium shall have effect from the date of this order till the completion of the CIRP or until the Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of IBC or passes an order for liquidation of Corporate Debtor under section 33 of the Code, as the case may be.

(d) Public announcement of the CIRP shall be made immediately as specified under section 13 of the code read with regulation 6 of the Insolvency and



Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations 2016.

(e) **Mr. Giridhari Lal Sharma**, registration No. **IBBI/IPA-001/IP-P00391/2017-201 8/10709** having contact address- A/1, P.C. Plaza, Bomikhal, Bhubaneswar-751006, is hereby appointed as an Interim Resolution Professional (IRP) of the corporate debtor to carry out the functions as per the Code, subject to his possessing a valid Authorisation for Assignment (AFA) in terms of 7A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations 2016. The fee payable to IRP or as the case may be, the RP shall comply with such Regulation, Circulars and Directions as may be issued by the Insolvency and Bankruptcy Board of India (IBBI). The IRP shall carry out his functions as contemplated by section 15,17,18,19,20 and 21 of the Code.

(f) During the CIRP period the management of the Corporate Debtor shall vest with 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 one week from the date of receipt of this order, in default of which coercive steps will follow.

(g) The IRP/RP shall submit to this Adjudicating Authority periodical reports concerning the progress of the CIRP in respect of the Corporate Debtor.

(h) The financial creditor shall deposit a sum of Rs.2,00,000/- (Two Lakhs Only) with the IRP to meet the expenses arising out of issuing publication and



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inviting claims. These expenses are subject to approval by the Committee of Creditor (COC).

(i) In terms of section 7(5)(a) of the Code, the Registry is hereby directed to communicate a copy of this Order to the Financial Creditor, the corporate debtor and IRP by Speed Post, e-mail or WhatsApp immediately, and in any case, not later than two days from the date of this order.

(j) Additionally, the Financial Creditor shall serve a copy of this Order on the IRP and on the Registrar of Companies, Odisha, Cuttack by all available means 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 Tribunal within seven days from the date of receipt a copy of this order.

15. CP (IB) No.29/CB/2022 to come up on 13.03.2023 for progress report.

16. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps,

17. Certified Copy of this order may be issued, if applied for, upon compliance of all requisite formalities.

SATYARANJAN PRASAD Digitally signed by SATYARANJAN PRASAD
Date: 2023.01.31 17:29:36 +05'30'

Satya Ranjan Prasad
Member (Technical)

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Date: 2023.01.31 14:32:15
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P. Mohan Raj
Member (Judicial)

Signed on this 31st day of January, 2023.

Supriya-P.s