

IN THE NATIONAL COMPANY LAW TRIBUNAL
CUTTACK BENCH
CUTTACK



CP (IB) No. 163/CTB/2019

CORAM: 1. Ms. Sucharitha R. Member (J)
2. Shri Satya Ranjan Prasad, Member (T)

In the Matter of:

An application under Section 8 and 9 of the Insolvency and Bankruptcy Code, 2016 read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016;

-And-

In the Matter of:

M/S. POHOJA PRINT SOLUTIONS PRIVATE LIMITED, having its registered office at- E-1, Naveen Shahdra, Delhi- 110 032.

.... **Operational Creditor/Applicant**

-Versus-

In the Matter of:

M/S. NOVA STEELS (INDIA) LIMITED, having its registered office at SR. MIG No. – 49 Parijat Extension, Nehru Nagar Bilaspur- 495 001, Chhattisgarh.

.... **Corporate Debtor/Respondent**

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Page 1 of 8

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Counsels appeared for the Petitioner(s)

1. Ramesh Agarwal
2. Ruchi Rajgarhia



Counsels appeared for the Respondent(s)

1. Kalpataru Khuntia
2. Biswa Chandan Mohanty

Date of pronouncement of Order: the 20th day of February, 2020.

ORDER

Per: Ms. Sucharitha R. Member (J)

1. This application is filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 (for brevity IBC) for initiation of Corporate Insolvency Resolution Process of the Corporate Debtor i.e. **Nova Steels (India) Limited, CIN: L27106CT1973PLC010053** having registered office at SR. MIG No. – 49 Parijat Extension, Nehru Nagar Bilaspur- 495 001, Chhattisgarh.
2. The applicant submits that they entered into an agreement with Corporate Debtor for printing of an Annual Report of the Corporate Debtor and on the basis of quotation, the bill was raised bearing no. 64 dated 28.12.2014 for a sum of Rs. 8,86,368/-. The applicant submits that the bill

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Page 2 of 8

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dated 28.12.2014 and 03.03.2015, the Operational Creditor had issued demand notice for the payment vide dated 10.04.2015.



3. The Corporate Debtor has filed reply and has admitted the liability. However, states that they are unable to settle the bill. The applicant had issued legal notice under Section 433 of the Companies Act, 1956 dated 16.07.2015 and Company Petition No. 15/2015 was filed before Hon'ble High Court of Chhattisgarh. Thereafter, the respondent had issued two Post Cheques bearing no. 346538 dated 15.02.2017 and 346539 dated 15.03.2017. However, the respondent fails to honour these cheques and same were returned with endorsement "insufficient funds". Thereafter, the applicant had issued notice under Section 138 of the Negotiable Instrument Act.
4. The respondent states that they are unable to meet the financial liability in the 44th Annual Report of the Corporate Debtor of the year 2018-2019. It has been stated that "*the possession of all the Assets of the Company, charged to the Financial Institutions/Bank to secure the financial assistance granted to the Company viz, Plant and Machinery, movable assets and Land and Building at Bilaspur and Shahadra had been taken over by Stressed Assets Stabilization Fund (IDBI) on 20.01.2006 and by Punjab National Bank on 24.01.2006 under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest*

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Act, 2002 (SARFAESI)”. The respondent company categorically submitted that they are unable to meet the financial requirements of the company.



5. The applicant has proposed the name of IRP **Mr. Santhan Kumar R.** having **Registration No. IBBI/IPA-001/IP-P00930/2017-2018/11549** and **E-mail Id.: santha@kandv.in** residence at Suite No. 108, 1st Floor, Kavery Complex, 96, Nungambakkam High Road, Nungambakkam, Chennai- 600034. There is nothing on record to show that any disciplinary proceeding is pending against the proposed IRP. This application is defect free.
6. We have perused the application, reply, documents, affidavits. In view of the same, this application is **ADMITTED.**

ORDER

- (i) The application filed by the Operational Creditor under Section 9 of the Insolvency & Bankruptcy Code, 2016 is hereby admitted for initiating the Corporate Insolvency Resolution Process against **M/s. Nova Steels (India) Limited.**
- (ii) Moratorium Order is passed for a public announcement as stated in Sec. 13 of the IBC, 2016. The moratorium is declared for

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Page 4 of 8

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the purposes referred to in Section 14 of the Insolvency & Bankruptcy Code, 2016. The IRP shall cause a public announcement of the initiation of Corporate Insolvency Resolution Process and call for the submission of claims under Sec.15. The public announcement referred to in clause (b) of sub-section (1) of Insolvency & Bankruptcy Code, 2016 shall be made immediately.

(iii) Moratorium under Sec.14 of the Insolvency & Bankruptcy Code, 2016 prohibits the following:

- 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 (54 of 2002);

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- d) The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.
- (iv) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during the moratorium period.
- (v) The provisions of sub-section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- (vi) The order of moratorium shall commence from the date of admission till the completion of the Corporate Insolvency Resolution Process.
- Provided that where at any time during the corporate insolvency resolution process period, if the Adjudicating Authority approves the resolution plan under sub-section (1) of Sec.31 or passes an order for liquidation of corporate debtor under Sec.33, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be.
- (vii) Necessary public announcement as per Sec.15 of the IBC, 2016 may be made by the Interim Resolution Professional upon receipt of the copy of this order.

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(viii) **Mr. Santha Kumar S. having Registration No. IBBI/IPA-001/IP-P00930/2017-2018/11549 and E-mail Id.: santha@kandv.in** residence at Suite No. 108, 1st Floor, Kavery Complex, 96, Nungambakkam High Road, Nungambakkam, Chennai- 600034, is appointed as Interim Resolution Professional registered with the ICSI Insolvency Professionals Agency, as Interim Resolution Professional for ascertaining the particulars of Creditors and convening a meeting of Committee of Creditors for evolving a resolution plan.

(ix) We direct the Operational Creditor to deposit a sum of Rs. One Lakh with Interim Resolution Professional to meet out the expenses to perform the functions assigned to him in accordance with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Debtor) Regulations, 2016. The needful shall be done within three days from the date of receipt of this Order by the Operational Creditor. The amount, however, is subject to approval by the Committee of Creditors as accounted for by Interim Resolution Professional and shall be paid back to the Operational Creditor.

(x) Directions are also issued to the ex-management to provide all documents in their possession and furnish every information in the

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Page 7 of 8

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knowledge within a period of one week from the date of admission of the petition to the IRP, otherwise coercive steps to follow.



- xi) The Interim Resolution Professional should convene a meeting of the Committee of Creditors and submit the resolution passed by the Committee of Creditors.
- xii) Registry is hereby directed to communicate the order under Section 9 (5) (i) of the I.B. Code, 2016 to the Operational Creditor, Corporate Debtor and to the Interim Resolution Professional by Speed Post as well as through E-mail.

Interim Resolution Professional to file 1st Progress Report on 15.04.2020.

List the matter on 15.04.2020

Let the certified copy of the order be issued upon compliance with requisite formalities.

Sd
Shri Satya Ranjan Prasad
Member (T)

Sd
Ms. Sucharitha R.
Member(J)

Signed on this, the 20th day of February, 2020.

Nishi(Steno)