

**In the National Company Law Tribunal
Kolkata Bench
Kolkata**

**CORAM: Shri Madan B. Gosavi, Member (Judicial)
Shri Virendra Kumar Gupta, Member(Technical)**

CP(IB)No.480/KB/2018

In the matter of:

An application for initiation of Corporate Insolvency Resolution Process under Section 7 of the 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:

Allahabad Bank, a banking company constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 and having its Head Office at 2, Netaji Subhas Road, Kolkata 700001 and International Branch 119, Park Street, Police Station – Park Street, Kolkata-700016..

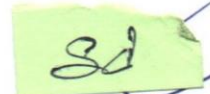
.....Financial Creditor

In the Matter of:

M/s Ural India Limited, a company incorporated under the provisions of the Companies Act, 1956 and a company within the meaning of Companies Act, 2013 and having its registered office at Motijug House 1, Auckland Place, Kolkata-700017.

..... Corporate Debtor





Counsels appeared:

For Financial Creditor

1. Mr. Om Narayan Rai, Advocate
2. Mr. Saikat Roy Chowdhury, Advocate

For Corporate Debtor

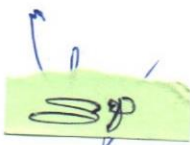
1. Ms. Aparajita Rao, Advocate
2. Ms. Pallavi Gandhi, Advocate


Date of pronouncement of order: 15th October, 2019.

ORDER

Per Shri M.B. Gosavi, Member (J):

1. **Allahabad Bank** (Financial Creditor) filed this application under Section 7 of Insolvency and Bankruptcy Code, 2016 against **M/s Ural India Limited** (Corporate Debtor) to start Corporate Insolvency Resolution Process (in short "CIRP") of the Corporate Debtor as the Corporate Debtor committed default in paying financial debt of Rs. 28,10,34,899/- (Rupees Twenty-Eight Crore Ten Lakh Thirty-Four Thousand Eight Hundred and Ninty Nine Only).
2. The following facts are not in dispute.
 - 2.1. Initially ⁱⁿ for the year 2010, the Financial Creditor granted and disbursed loan of Rs. 27,00,00,000/- (Rupees Twenty-Seven Crore Only) to the Corporate Debtor including cash credit facility loan sanction letter dated 24.09.2010 on record. The term of repayment





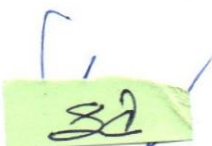
extended
was ~~retained~~ from time to time. The loan was restructured at one point of time. The Corporate Debtor committed default in paying the interest and installment of the loan on 04.04.2014. Its account declared NPA on 12.07.2014. This application is filed on 05.04.2018.

- 2.2. The Financial Creditor states that the Corporate Debtor committed default in paying the debt. Hence, this application is filed to start CIRP of the Corporate Debtor.
 - 2.3. Financial Creditor suggested name of on Mr. Saurabh Basu, having registration no. IBBI/IPA-002/IP-N00319/2017-2018/10924 for appointment as the Interim Resolution Professional.
3. The Corporate Debtor is served with the notice of this application. One officer and authorized representative of the Corporate Debtor, Mr. Sanwal Tibrewal appeared on behalf of the Corporate Debtor and filed affidavit-in-reply to contest the claim. He did not dispute that the Corporate Debtor availed loan from the Petitioner and also admitted that the Corporate Debtor committed default in paying the same. He gave history as to how loan was not disbursed as per the terms of loan agreement. He contended that the Haldia Development Authority did not allot 300 Acres of land as agreed. Hence, Corporate Debtor did not completely set up the factory/unit. However, we are not really concerned thereto.
4. In this proceeding under Section 7 of Insolvency and Bankruptcy Code, 2016, we have to see whether debt of more than Rs. 1,00,000/- (Rupees One Lakh Only) is due and payable by the Corporate Debtor and whether Corporate Debtor committed default in paying the same. We have also to see whether this proceeding is filed within period of limitation as per Article 137 of the Law of Limitation.

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5. As far as the case at hand is concerned, the Corporate Debtor did not dispute that debt of Rs. 28,29,36,894 is due and payable by them to the Bank. They have offered sum of Rs. 22.50 Crores as and by way of settlement. It appears to us that the Bank did not accept the offer of settlement. Be that as it may. In view of the evidence on record, we hold two relevant facts i.e. financial debt of more than Rs. 20 Crore is due and payable by the Corporate Debtor and the Corporate Debtor committed default in paying the same has been established.
6. It is to be seen whether the claim is filed within period of limitation. According to the Bank, default in paying the loan took place on 04.04.2014. This proceeding is filed on 05.04.2018. Apparently, it is filed beyond period of limitation. However, Ld. Counsel for the Operational Creditor brought to our notice ~~to~~ the fact that the Corporate Debtor in its balance sheet for the year 2016-17 admitted and acknowledged this debt. The balance sheet is produced at page no. 248 to this application. We perused the balance sheet. It is stated therein, **"from June, 2014, Allahabad Bank Cash Credit A/c whose number is 20087060005 and Allahabad Bank Term Loan Account whose number is 50111058034 has been declared by bank as Non-Performing Assets so not provisions for interest has been made."**In our considered view, this is acknowledgment of the debt by the Corporate Debtor is within meaning of Section 18 of Limitation Act, 1963. This proceeding is filed within 3 years thereafter.
7. The Financial Creditor proved that there is debt due and payable by the Corporate Debtor and the Corporate Debtor committed default in paying the same. This proceeding is filed within period of limitation. The Financial Creditor suggested name of one Mr. Saurabh Basu, having registration no. IBBI/IPA-002/IP-N00319/2017-2018/10924 for appointment as the Interim Resolution Professional against whom no



disciplinary proceeding is pending. This application is defect free. Hence, we admit the Corporate Debtor in CIRP by passing following orders.

ORDER

- i) The application filed by the Financial Creditor under section 7 of the Insolvency & Bankruptcy Code, 2016 for initiating Corporate Insolvency Resolution Process against the Corporate Debtor, **M/s Ural India Limited** is hereby admitted.
- ii) I declare a moratorium and public announcement in accordance with Sections 13 and 15 of the IBC, 2016.
- iii) Moratorium is declared for 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 Section 15. The public announcement referred to in clause (b) of sub-section (1) of Section 15 of Insolvency & Bankruptcy Code, 2016 shall be made immediately.
- iv) Moratorium under Section 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;

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- 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);
- 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.
- v) The supply of essential goods or services to the corporate debtor as may be specified shall not be terminated, suspended, or interrupted during moratorium period.
- vi) 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.
- vii) The order of moratorium shall have effect from the date of admission till the completion of the corporate insolvency resolution process.
- viii) 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 Section 31 or passes an order for liquidation of corporate debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be.
- ix) Necessary public announcement as per Section 15 of the IBC, 2016 may be made.

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x) Mr. Saurabh Basu, having registration no. IBBI/IPA-002/IP-N00319/2017-2018/10924, residing at Alpana Apartment, 3rd Floor, 10/6/2 Raja Ram Mohan Roy Road, Kolkata-700008, is appointed as Interim Resolution Professional for ascertaining the particulars of creditors and convening a Committee of Creditors for evolving a resolution plan.


xi) The Financial Creditor to pay sum of Rs. 50,000/- (Rupees Fifty Thousand Only) to IRP as advance fees as per Regulation 33(2) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulation 2016 which shall be adjusted from final bill.

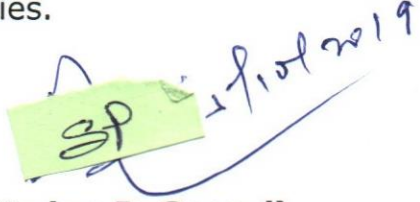
xii) The Resolution Professional shall conduct CIRP in time bound manner as per Regulation 40A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulation, 2016.

xiii) Registry is hereby directed under section 7(7) of the I.B.Code, 2016 to communicate the order to the Financial Creditor, the Corporate Debtor and to the I.R.P. by Speed Post as well as through e-mail.

List the matter on **21.11.2019** for the filing of the progress report.

Certified copy of the order may be issued to all the concerned parties, if applied for, upon compliance with all requisite formalities.


(Virendra Kumar Gupta)
Member(T)


(Madan.B. Gosavi)
Member(J)

Signed on this, the 15th day of October, 2019.