

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
CUTTACK BENCH  
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**CP (IB) No. 85/CTB/2019**

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

**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:**

**Punjab National Bank**, a body corporate constituted under the banking Companies (Acquisition & Transfer of Undertakings) Act, 1970) having its Head Office situated at Plot No. 4, Dwarka, Sector – 10, New Delhi, 110 075 and amongst its other places situated at – Gurudwar Road, (Opp. Dhillon Nursing Home), Durg – 491 001, Chattisgarh.

... .. **Applicant/ Financial Creditor**

-Versus-

**In the Matter of:**

**M/s Shiv Shankar Solvent Extraction Pvt. Ltd**, a Private Limited Company incorporated under the Companies Act, 1956 having its Registered Office situated at R-2, Vishal Nagar, Green Paradise, Raipur, Chattisgarh – 492 001 and Factory situated at Village – Anjora, Dist. – Rajnandgaon.

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

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**Counsels appeared:**

1. Mr. Ranjit Sahoo] For the Financial Creditor

**Date of pronouncement of Order: 4th day of September, 2019.**

**ORDER**

**Per Ms. Sucharitha R., Member (J):**

1. This application is filed under Section 7 of Insolvency and Bankruptcy Code, 2016 (For brevity IBC, 2016) by Punjab National Bank/Financial Creditor against the Corporate Debtor – M/s Shiv Shankar Solvent Extraction Pvt. Ltd. to start Corporate Insolvency Resolution Process as the Corporate Debtor has committed default in paying financial debt of Rs. 45,53,15,156.32 (Forty-Five Crores Fifty-Three Lakhs Fifteen Thousand One Hundred Fifty-Six and Thirty-Two Paise) as on 30<sup>th</sup> June of 2019.

2. This application come up before this Bench on 5<sup>th</sup> August, 2019.

There was no representation for the respondent. The applicant was directed

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to file affidavit-of-service of Notice on the respondent. This matter came up for hearing again on 13.08.2019. The applicant filed an affidavit stating therein that the Notice sent to the Corporate Debtor has been returned with an endorsement "insufficient address". The applicant further submitted that the address of the Corporate Debtor as per the loan documents and also the ROC Portal 1 are one and the same. The Notice was sent to the right address. On 13.08.2019 the Corporate Debtor was set ex-parte. The matter was posted on 21.08.2019 for hearing.

3. The applicant/Financial Creditor states that the Corporate Debtor is in the business of Refinery and Mining activities. The Corporate Debtor approached the Financial Creditor for a Composite Loan of Rs. 1050 Lakhs i.e. cash credit limit of Rs. 400 Lakhs and term loan of Rs. 650 Lakhs. The applicant banks sanctioned the loan and the Corporate Debtor was enjoying the facilities since 28.03.2007. The loans were secured by hypothecation of movables and mortgage of immovables of the Corporate Debtor. The cash credit facilities were enhanced time and again.

4. However, the Corporate Debtor did not repay the loan, hence, the loan account was declared as non-performing assets (NPA) on 30<sup>th</sup> June, 2010.

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5. This application has been executed by Mr. Firoz Khan, Sr. Manager of Punjab National Bank vide Letter of authorisation dated 16.07.2019.
6. We have gone through the records, proceeding and pleadings of the learned Counsel for the applicant. The consideration under Section 7 of Insolvency and Bankruptcy Code, 2016 is whether Punjab National Bank/Financial Creditor can start Corporate Insolvency Resolution Process of the Corporate Debtor. The applicant has established the debt, the default on the part of the Corporate Debtor. The applicant bank has also filed entire loan documents along with statements of accounts before this Adjudicating Authority. From the documents it is clear that the said outstanding amount Rs. 45,53,15,156.32 (Forty-Five Crores Fifty-Three Lakhs Fifteen Thousand One Hundred Fifty-Six and Thirty-Two Paisa) is due and payable by the Corporate Debtor to the applicant.
7. The applicant/Financial Creditor has suggested the name of Mr. Pankaj Khetan residence of H-38, LGF, Jangpura Extension, Near Eros Complex, New Delhi – 110 014 having Registration No. IBBI/IPA-002/IP-N00010/2016/2017/10014 and Email Id. [Pankaj.khetan@yahoo.com](mailto:Pankaj.khetan@yahoo.com) / [ippankajkhitan@gmail.com](mailto:ippankajkhitan@gmail.com). There is nothing on record to show that any disciplinary proceeding is pending against the proposed IRP. This

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application is defect free. Hence, this application is ADMITTED by following Order.

**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 Shiv Shankar Solvent Extraction Pvt. Ltd** is hereby admitted.
- ii) We declare a moratorium and public announcement in accordance with Sections 13 and 15 of the Insolvency & Bankruptcy Code, 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

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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);

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.

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- 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 Insolvency & Bankruptcy Code, 2016 may be made.
- x) **Mr. Pankaj Khetan** residence of H-38, LGF, Jangpura Extension, Near Eros Complex, New Delhi – 110 014 having Registration No. IBBI/IPA-002/IP-N00010/2016/2017/10014 and Email Id. Pankaj.khetan@yahoo.com / ippankajkhitan@gmail.com is appointed as Resolution Professional for ascertaining the particulars of creditors and convening a Committee of Creditors for evolving a Resolution Plan.
- xi) The Resolution Professional should convene a meeting of the Committee of Creditors and submit the Resolution passed by the Committee of Creditors and shall identify the prospective Resolution Applicant within **105 days** from the insolvency commencement date. The Interim Resolution Professional is directed to produce **Form - 2** and

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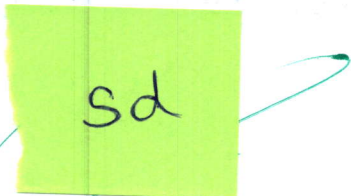
written communication within **one week** from the date of the receipt of the Order.

- xii) Registry is hereby directed under Section 7 (7) of the Insolvency & Bankruptcy Code, 2016 to communicate the Order to the Financial Creditor, the Corporate Debtor and to the IRP by Speed Post as well as through e-mail.

Interim Resolution Professional to file **1<sup>st</sup> Progress Report** on 14.10.2019.

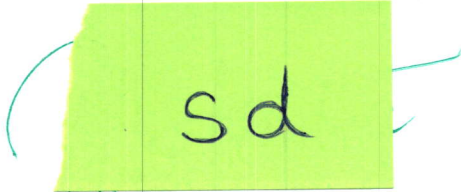
List the matter on 14.10.2019.

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



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**Shri Satya Ranjan Prasad**  
Member (T)



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**Ms. Sucharitha R.**  
Member (J)

*Signed on this, the 4<sup>th</sup> day of September, 2019.*

***Santosh\_P.S.***