



**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT-II**

CP No. (IB) 619/ MB/ 2022

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

In the matter of

The Karnataka Bank Limited

Having address at: Rose Manor Garden School, Central Avenue, Santacruz (West), Mumbai 400054

..... Financial Creditor

Vs.

Paras Commercial Centre Private Limited

Having its Registered Office at: Gala No. 17/1, Meghlal Industrial Estate, Devidayal Road, Mulund West, Mumbai- 400080

..... Corporate Debtor

Order delivered on: - 24.03.2023

Coram:

Hon'ble Member (Judicial) : Shri Kuldip Kumar Kareer

Hon'ble Member (Technical) : Shri Shyam Babu Gautam

Appearances:

For the Financial Creditor : Advocate Yahya Batatawala

For the Corporate Debtor : None

ORDER

Per: Shyam Babu Gautam, Member Technical

1. This Company Petition is filed by **The Karnataka Bank Limited** (hereinafter called “Financial Creditor”) seeking to initiate Corporate Insolvency Resolution Process (CIRP) against **Paras Commercial Centre Private Limited** (hereinafter called “Corporate Debtor”) alleging that the Corporate Debtor committed default in making payment to the Financial Creditor. This Petition has been filed by invoking the provisions of Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter called “IBC”) read with Rule 4 of Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016.
2. The present Petition is filed before this Adjudicating Authority on the ground that the Corporate Debtor failed to make payment of an **aggregate amount of Rs.15,81,63,867/-** (Rupees Fifteen Crore Eighty-One Lakhs Sixty-Three Thousand Eight Hundred and Sixty-Seven Only) including the outstanding **Principal amount** and **interest** as on 12th April 2022 forming part of the Financial Debt.
3. The Corporate Debtor approached the Financial Creditor for availing certain loans and the Financial Creditor sanctioned such loans aggregating to a sum of Rs. 17,45,00,000/- (Rupees Seventeen Crores Forty-Five Lakhs only) which were disbursed on several dates. The details of the loans disbursed are tabulated as follows:

Details	Amounts
Term Loan-I Loan Account No. 5187001600027001 dated 19 th August 2015	Rs.9,00,00,000/- (Rupees Nine Crore Only)
Term Loan-II Loan Account No. 5187001600028101 dated 29 th February 2016	Rs.2,00,00,000/- (Rupees Two Crore Only)
Term Loan-III Loan Account No. 5187001600028701 dated 2 nd August 2016	Rs.3,75,00,000/- (Rupees Three Crore Seventy-Five Lakhs Only)
Term Loan-IV Loan Account No. 5187001600028801 dated 4 th August 2016	Rs.2,20,00,000/- (Rupees Two Crore Twenty Lakhs Only)
Overdraft Facility Facility Account No. 5187000600013701 Dated 31 st March 2018	Rs.50,00,000/- (Rupees Fifty Lakhs Only)

Copies of the **Hypothecation Agreements** dated 21st August 2015, 29th February 2016, 2nd August 2016 and 4th August 2016 and **Demand Promissory Note** dated 31st March 2018 are duly attached to this Petition.

4. After the disbursement of the above amounts, the Corporate Debtor made certain part payments to the Financial Creditor and thereafter, defaulted on the repayments. Subsequently, the Financial Creditor declared the account of the Corporate Debtor as a Non-Performing Asset (NPA) on **1st May 2019**. The Financial Creditor addressed a **Letter dated 2nd May 2019** to the Corporate Debtor calling upon them to repay the outstanding dues immediately but no such payments were made. Thereafter, the Financial Creditor had issued a **Notice dated 20th July 2019** under Section 13(2) of the SARFAESI Act, 2002 which was not complied with by the Corporate Debtor. On receiving no further payments from the Corporate Debtor, the Financial Creditor then filed this Petition on **3rd June 2022**. Copies of the



aforementioned Letter and the relevant Financial Statements have been duly annexed to this Petition.

FINDINGS

5. We have heard the submissions of the Counsel appearing for the Financial Creditor. On perusal of the Petition and the documents annexed, it is evident that the Corporate Debtor had availed the said loan facilities from the Financial Creditor and had subsequently committed default in repaying the same. On perusal of the records, it is seen that the Corporate Debtor has not filed any Reply to this Petition and has failed to appear before this Tribunal on almost every occasion that this matter was listed despite being duly served. As a result, the Corporate Debtor was set *ex-parte* vide **Order dated 27th February 2023**.

6. The Financial Creditor has successfully demonstrated and proved the debt and default in this case. It is noted that the Petition is not barred by Limitation. Therefore, this Bench is of the view that that this Petition satisfies all the necessary requirements for **admission** under Section 7 of the Code.

7. For the foregoing reasons, the instant Company Petition is liable to be admitted, and accordingly the same is admitted by passing the following:
 - a. **The above Company Petition No. (IB)- 619 (MB)/2022 is hereby allowed** and initiation of Corporate Insolvency Resolution Process (CIRP) is



ordered against **Paras Commercial Centre Private Limited.**

- b. This Bench hereby appoints **Mr. Avinash Shukla**, Insolvency Professional, Registration No : IBBI/IPA-003/IPA-N00243/2019-20/12839 as the Interim Resolution Professional having address at Level-3, Padma Place, Plot No. 79, Sector 28, Vashi, Navi Mumbai- 400073 and having Email address avinashshukla1708@gmail.com to carry out the functions as mentioned under the Insolvency & Bankruptcy Code, 2016.
- c. The Financial Creditor shall deposit an amount of Rs.5 Lakhs towards the initial CIRP cost by way of a Demand Draft drawn in favour of the Interim Resolution Professional appointed herein, immediately upon communication of this Order.
- d. That this Bench hereby prohibits 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; transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein; any action to foreclose, recover 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; the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

- e. 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.
- f. 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.
- g. That the order of moratorium shall have effect from the date of pronouncement of this order 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.
- h. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.
- i. During the CIRP period, the management of the Corporate Debtor will vest in the IRP/RP. The suspended directors and employees of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP.



- j. Registry shall send a copy of this order to the concerned Registrar of Companies for updating the Master Data of the Corporate Debtor.

Accordingly, this Petition is admitted.

The Registry is hereby directed to communicate this order to both the parties and to the IRP immediately.

Sd/-

**SHYAM BABU GAUTAM
(MEMBER TECHNICAL)**

Sd/-

**KULDIP KUMAR KAREER
(MEMBER JUDICIAL)**

Anusha
24.03.2023