

**THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI COURT-I**

**CP (IB) No. 208/MB/2019**

Under section 10 of IBC, 2016

In the matter of

**STAINLESS WORK PRIVATE  
LIMITED**

(CIN- U51900MH1996PTC102479)

.... Corporate Applicant

***Order delivered on: 01.11.2023.***

***Coram:***

Sh. Prabhat Kumar

Hon'ble Member (Technical)

(Justice) VirendraSingh G.Bisht

Hon'ble Member (Judicial)

For the Applicant

: Mr. Kajal Solanki. Counsel.

**ORDER**

***Per: Justice V.G Bisht (Judicial)***

1. This Company Petition is filed by **STAINLESS WORK PRIVATE LIMITED.**

2. **STAINLESS WORK PRIVATE** (hereinafter called Corporate Applicant), under Section 10 of Insolvency and Bankruptcy Code

2016 (“the Code”) read with Rule 7 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016, for initiation of Corporate Insolvency Resolution process.

3. The first default occurred when the Corporate Debtor had received a notice dated 24<sup>th</sup> March 2015 from the Financial Creditor i.e. the Standard Chartered Bank for defaulting in repayment of the Cash Credit facility and Term Loan.
4. Subsequently, a notice dated 17<sup>th</sup> July 2015 was issued by the Financial Creditor to the Corporate Debtor under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI”) seeking recovery of an outstanding amount of INR 11,57,43,775.73/-
5. The Corporate Debtor however again defaulted in the payment of the outstanding amount as mentioned in the notice issued under Section 13(2) and subsequently notices under Section 13(4) were issued under the SARFAESI act, taking symbolic possession of the properties of the Corporate Debtor.
6. Through a letter dated 7<sup>th</sup> July 2017, the Financial Creditor revoked the One Time Settlement offer and the outstanding amount as of that date was INR 15,43,15,144.57/-
7. Thereafter, the Corporate Debtor filed an application under section 10 of the Insolvency Bankruptcy Code, 2016 to initiate the corporate insolvency resolution process. The application was duly filed on 27<sup>th</sup> April, 2018.

8. The Corporate Debtor was incorporated on 11.09.1996 by and under the name of Stainless Works Private Limited, in Mumbai.

8.1 The Corporate Applicant had availed the unsecured long-term loan ('Facility-1') from one Standard Chartered Bank, Group Special Asset Management. amounting to Rs. 19,16,65,790/- (Nineteen Crores Sixteen Lakhs Sixty Five Thousand Seven Hundred Ninety only). The term loan is Rs.96,79,276.17/- and the Cash Credit Facility is Rs 9,64,37,796.92. The amount outstanding as on 30<sup>th</sup> June, 2017(Including interest) with Standard Chartered Bank basis the notice of default dated 7<sup>th</sup> July 2017 from Standard Chartered Bank is Rs 15,43,15,144.57/- . Interest calculated from 1<sup>st</sup> July 2017 to 31<sup>st</sup> December 2018(14.69% on Overdraft Facility and 13% on Term Loan) is Rupees 37,350,645.49 /-.

8.2 Tax Dues:

Admitted Income Tax Dues payable by the Corporate Debtor

FY 2012 – 2013	INR 35,90,309/-
FY 2011-2012	INR 1,46,797/-
FY 2010 – 2011	INR 32,83,105/-
FY 2009 – 2010	INR 19,01,221/-
TOTAL	INR 89,21,432

8.1 The Corporate Debtor had also created securities over additional properties

(described below) which has already been seized, auctioned and sold by the Financial Creditor. The properties are as follows:

- Flat No. 601, 6th Floor, Marina Building, Marina Co-operative Housing Society, Juhu Tara Road, Mumbai- 400049.
- Flat No. 602, Marina Building, Marina Co-operative Housing Society, Juhu Tara Road, Mumbai - 400049.
- Office No. 704, Peninsula Plaza, Plot No, A-16, Veera Industrial Estate, Andheri (w), Mumbai- 400058.

8.2 The default in payment and the inability of the Company to pay any of its debt has led to the application by the Corporate Debtor for initiating the Corporate Insolvency Resolution Process in the matter of self and it sought approval of its members for filing section 10 petition under the Code vide Special Resolution in the Extra Ordinary General Meeting of the Company convened on 05.12.2018. (Copy of on Special Resolution attached as Exhibit A). The Accounts of the Company have been prepared and audited for the Financial year 2015-16, 2016-17 and 2017-2018. The operational losses and accumulated losses kept on mounting over the years and the Corporate Applicant found itself unable to pay off its long-standing Operational Creditors, Financial Creditors, Employees etc.

9. We have heard the Counsel and perused the material available on record.

9.1. During the course of hearing, the management of Corporate Applicant was asked to give undertaking to the Tribunal that they shall extend co-operation to the Insolvency Professional, in case this petition is admitted, to provide all necessary records, documents & information including Books of Accounts, and also make available requisite money to fund the Resolution Process. The same has been placed on record.

9.2. We find that the Corporate Applicant is in default; the Shareholders of the Corporate Applicant have passed a Special Resolution seeking resolution of the Corporate Debtor; and the present application is within limitation in terms of revocation of OTS sanctioned earlier to the Corporate Applicant. The Application is complete in all respects; accordingly, we are considered opinion that this Application deserves to be allowed.

9.3. An Application IA No. 4085 of 2023 was filed by Mr. Prateek Gupta, under Rule 11 of NCLT Rules 2016 seeking substitution of Mr. Praful Raghunath Renuse, IRP in place of Mr. Pradeep Vithal Samant. Ld. Counsel for the Applicant submits that during the pendency of the Company petition, the AFA of Mr. Pradeep Vithal Samant has expired and he is no longer acting as Insolvency Professional. Ld. Counsel for the Applicant further places on record the consent in Form-2 of Mr. Praful Raghunath Renuse. We have heard the learned Counsel for the Applicant. The consent form submitted by

the Applicant along with this Application IA No.4085 of 2023 was taken on record in terms of Order dated 13.09.2023.

**ORDER**

10. The petition bearing CP(IB) 208/MB-IV/2019 filed by **STAINLESS WORKS PRIVATE LIMITED**, the Corporate Applicant is **admitted** under section 10 of the IBC read with rule 7(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016. The Corporate Applicant is not disqualified U/s 11 of the Code. Accordingly, the moratorium is declared with consequential directions as mentioned below.

- (i) The Tribunal hereby prohibits the institution of suits or continuation of pending suits or proceedings against the Corporate Applicant 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 Applicant any of its assets or any legal right or beneficial interest therein; any action to foreclose, recover or enforce any security interest created by the Corporate Applicant in respect of its property including any action under the Securitisation 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 Applicant.

- (ii) That the supply of essential goods or services to the Corporate Applicant, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.
- (iii) 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.
- (iv) That the order of moratorium shall have effect from the date of this order till the completion of the corporate insolvency resolution process or until this Tribunal approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of Corporate Applicant under Section 33, as the case may be.
- (v) That the public announcement of the Corporate Insolvency Resolution process shall be made immediately as specified under Section 13 of the Code.
- (vi) This Tribunal hereby appoints the proposed Resolution Professional after perusing the written communication in Form 2 dated 20.12.2022 by the RP, **Mr. Praful Raghunath Renuse**, having an address at 707-21 Gulmohar CHS. LTD., CSR Complex, Off. Link Road, Ganesh Nagar, Kandivali West, Ekta Nagar Old Mhada, Mumbai Suburban, Maharashtra ,400067 having **IBBI Registration No. - IBBI/IPA-003/N-00410/2022-2023/14111**,

IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI COURT-1

CP (IB) No. 208/MB/2019

---

Email- praful.renuse@gmail.com as Interim Resolution Professional to carry the functions as mentioned under the Code.

11. The Registry is hereby directed to communicate this order to the Applicant. The Learned Counsel for the Petitioner shall deliver a copy of this order to the Interim Resolution Professional forthwith within 10 days of the order being uploaded on the website.

**Sd/-**

**SH. PRABHAT KUMAR**  
**MEMBER (TECHNICAL)**

**Sd/-**

**JUSTICE VIRENDRASINGH G. BISHT**  
**MEMBER (JUDICIAL)**