

In the National Company Law Tribunal Mumbai  
Bench, Mumbai.

CP/82/1&BC/NCLT/MB/MAH/2018

Under Section 10 of the Insolvency &

Bankruptcy Code 2016

In the matter of

Print House (India) Private Limited

...Petitioner/Corporate Applicant.

**Date of Hearing:** 28.09.2018

**Date of Order:** 09.10.2018

**Coram:** M. K. Shrawat, Member, (Judicial)

**For the Petitioner:-**

Sneha Phene i/b S. Raghunath & Co.

**For the Intervenor:-**

Advocate Rubina Khan i/b Foetis Law

Advocate for Pegasus

Assets Reconstruction Private Limited.

**Per:** M. K. Shrawat, Member, (Judicial)

**Order**

1. The Petitioner Print House (India) Private Limited is the Corporate Debtor who had filed the Petition on 02.01.2018 under Section 10 of the Insolvency & Bankruptcy Code 2016 to declare itself as insolvent.

2. **Background of the case : -**

a) The Company was incorporated as Mazda Hospital and Industrial equipment Pvt. Ltd. on 09.01.1987 and has changed its name to Print House (India) Private Limited (hereinafter as PHIPL) with effect from 29.12.1999 with the object to involve in Trading activities of papers and printing.

b) The current outstanding of the various Loans and credit facilities as on 31.03.2017 and as per the provisional Balance Sheet as on 20.12.2017 is given in the table below:

Sr. No	Particulars	As on 31.03.2017 (₹)	As on 20.12.2017 (₹)	Default (₹)	Remarks
1	<b><u>The Shamrao Vithal Cooperative Bank</u></b>	37,28,54,570/-	36,66,16,002/-	40,21,59,672/-	Default amount as per

	<b><u>Limited</u></b> - Overdraft Facility				SARFAESI Notice u/s 13(2)
2	<b><u>The Bharat Co-Op Bank Ltd.-</u></b> Overdraft Facility	18,28,229/-	17,89,509/-	-	-
3	<b><u>Landesbank Baden Wurttemberg-</u></b> Term Loan	8,90,07,010/-	9,12,35,402/-	9,12,35,402/-	(Including Interest)
4	<b><u>Sumitomo Mitsui Finance and Leasing Co. Ltd.-</u></b> Term Loan	15,20,15,596/-	15,49,60,577/-	15,49,60,577/-	(Including Interest)
5	<b><u>Standard Chartered Bank-</u></b> Bill Discounting Facility	10,19,35,753/-	10,19,35,753/-	10,19,35,753/-	(Including Interest)
6	<b><u>ICICI Bank</u></b> - Term Loans for Vehicle	45,58,125/-	23,56,829/-	-	-
7	<b><u>Kotak Mahindra Bank</u></b> – Term Loans for Vehicle	-	2,18,886/-	-	-
8	<b><u>LIC</u></b> – Loans on Policies	68,45,750/-	68,45,750/-	-	-
	<b><u>Unsecured Loans</u></b>				
9	<b><u>Parinita Hendre</u></b>	25,00,000/-	-		
10	<b><u>Upasana Hendre</u></b>	10,00,000-	-		
	Total	73,29,03,392/-	72,59,58,708/-	75,02,91,404/-	The default amount is higher as interest upto 31.03.2017 has been considered though not provided in the accounts.

**Note about Standard Chartered Bank:**

As per the Settlement Agreement between Standard Chartered Bank, PHIPL and the guarantor, the Company and the Guarantor agreed that the Company shall pay to SCB a sum of ₹3,00,00,000/- in view of full settlement of SCB Dues under the Credit Facilities, on the following terms and conditions:

75,00,000/-	To be paid at the time signing of settlement deed
75,00,000/-	To be paid on or before 25.05.2018
75,00,000/-	To be paid on or before 25.11.2018
75,00,000/-	To be paid on or before 25.04.2019

It was also agreed that if an application filed by any person under the provisions of I&B Code, 2016 and rules made thereunder against the Company and/or Guarantors is admitted by the National Company Law Tribunal, SCB shall be entitled to claim entire original outstanding dues under the said Credit facilities alongwith contractual interest by terminating the Deed of Settlement.

- c) Landesbank Baden Wurttemberg (LBW) had filed a Company Petition No- 134 of 2015 in the Hon'ble Bombay High Court for the said default of ₹9,12,35,402/-. The said winding up petition has been admitted by the Hon'ble Bombay High Court vide its Order 01.02.2018.
- d) Standard Chartered Bank also filed a Company Petition No- 551 of 2015 in the Hon'ble Bombay High Court for the said default of ₹10,19,35,753/-. The said winding up petition has been admitted by the Hon'ble Bombay High Court vide its Order 02.02.2018.
- e) However, the said winding up Orders were recalled vide order dated 04.05.2018 by the Hon'ble High Court in view of the payment received by LBW amounting to US \$3,86,514/- in full settlement of the claim in Company Petition- 134 of 2015. So far as Standard Chartered bank was concerned, settlement terms were entered into and the applicant did not object the said recall of winding up order dated 02.02.2018.

**3. Details of Secured Creditors and Security Creation as on 31.03.2017:**

Sr. No .	Name of Secured Creditor	Type of Facility	Sanction Date	Sanction Amount (₹)	Amount Of Default (₹)	Details of Security Held	Book Value of Security Held (₹)
1	Landesbank Baden Wurttemberg	Term Loan	18.01.2018	9,54,26,266	9,12,35,402	Heidelberg machine 4 colour & 5 colour	5,45,70,845
2	Sumitomo Mitsui Finance and Leasing Co. Ltd.	Term Loan	27.06.2008	11,35,39,440	15,49,60,577	Komori printing Machine	Book value 8,93,32,386
3	The Shamrao Vithal Co-Op Bank Ltd.	Bank Overdraft	15.01.2016	36,30,00,000	40,21,59,672	Land & Building	Book value- 15,26,70,132; Estimated value- 48,92,64,000
4	ICICI Bank Ltd.	Loan	Various	72,84,533	0	Cars	Book Value- 79,33,543

5	LIC	Loan	2012	94,45,750	0	Policies	Sum Insured- 1,00,00,000
6	The Bharat Co-Operative bank Ltd.	Overdraft Facility	various	18,00,000	0	Fixed Deposit	FD Amount- 27,74,166
	Total			59,04,95,989	64,83,55,651		

**4. Personal Guarantees as on 31.03.2017:**

Sr. No.	Name of the Financial Creditor to whom the Guarantee is issued	Name of the person extending guarantee	Related/Non- Related
1	The Shamrao Vithal Co-Op Bank Ltd.	Nandkumar P. Hendre Pramod P. Hendre Suhas Joshi Pravin Harid Upasana N. Hendre Runali P. Hendre	Related
2	Landesbank Baden Wurrtemberg	Nandkumar P. Hendre Pramod P. hendre	Related
3	Sumitomo Mitsui Finance & Leasing Co. Ltd.	Nandkumar P. Hendre Pramod P. hendre	Related

5. A Legal notice u/s 13(2) of SARFAESI Act, 2002 was issued by Pegasus Assets Reconstruction Private Limited (Pegasus) on 11.08.2017 to initiate proceedings under SARFAESI Act, 2002. The accounts of the Petitioner were classified as “Non Performing Asset” on 27.12.2017 in the books of Shamrao Vithal Co-Op Bank Limited as per the guidelines of Reserve bank of India.

**Findings:**

6. As far as the nature of the Loan and Debt amount is concerned, the same has not been denied by the Applicant. List of other operational creditors along with Financial Creditor are annexed with this Petition.

7. The financial position of the Corporate Debtor has also been examined from the Balance Sheet drawn as on 20.12. 2017 and noticed that the Recovery is possible from the Trade Receivables worth ₹4,72,94,128/-, Bank Deposits worth ₹3,61,25,260/- and Investments whose estimated worth is ₹5,79,65,943/- as per the Provisional Balance Sheet as on 20.12.2017
8. The evidences on record have thus established that there was a "Debt" and admittedly there was a "Default" in payment of the outstanding Debt hence the requisite condition of Section 10 has been complied with.
9. The Bench is of the conscientious opinion that by commencement of Insolvency Resolution Process the restructuring of the finances of the Debtor Company is possible. Moreover, once the Insolvency Professional shall take control of the finances then duty bound to ascertain that the interest of the Creditor should be safeguarded.
10. That the Petitioner has placed on record a resolution dated 01.12.2017 of Board authorising Mr. Pramod Hendre, the Director to file application under section 10 of Insolvency and Bankruptcy Code.
11. In Form No.6, moved u/s 10 of the Code, the Applicant/Corporate Debtor has proposed the name of the Insolvency Resolution Professional (IRP): **Mr. Venkata Suryanarayanarao Nagulpati Rao**, having registration no. as IBBI/IPA-001/IP-P00534/2017-18/10959, having email id as **nagulpati12.rao@gmail.com**, Phone No. 09323031491 as Interim Resolution Professional for initiation of CIRP.
12. In Form No. 2 dated 20.12.2017, the Insolvency Resolution Professional has conveyed his willingness to accept his appointment in the above case. He has also given the necessary certificates/affirmation from his side to this Tribunal in this regard.
13. Accordingly, this Tribunal "Admits" the Petition and appoints Mr. **Mr. Venkata Suryanarayanarao Nagulpati Rao**, as Interim Resolution Professional to initiate the Insolvency Resolution Process on the above Applicant forthwith, with the following directions:-

a) Since this is a case of "Corporate Debtor" therefore the Insolvency Resolution Process shall commence as prescribed under section 10 of the I&BP Code, 2016. The occurrence of default is established and the amount in question remained unpaid by the "Corporate Debtor" till date.

b) Having considered the totality of the circumstances and the Application for initiation of Insolvency Resolution Process under the I&BP Code, 2016 and having considered the default of the Corporate Debtor in making the payment as discussed supra, it is hereby pronounced that "Moratorium" as prescribed under Section 14 of the Code 2016 shall come into operation and as a consequence prohibits all of the following viz.:-

(I) (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 Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002(SARFAESI Act);

(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.

(II) That supply of essential goods or services to the corporate debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period.

(III) That the provisions of sub-section (1) 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 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.

(V) That the public announcement of the corporate insolvency resolution process shall be acted upon immediately as specified under section 13 of the Code.

14. Accordingly, this CP 82/I &BC/NCLT/MB/MAH/2018 stood admitted.

15. The Insolvency Resolution Process is commenced from the date of this order.

**Date: 09.10.2018**

SD/-  
**M.K. Shrawat**  
**Member (Judicial)**