SAMTEL COLOR LIMITED
501, 5th Floor, Copia Corporate Suites,
9, District Centre – Jasola, New Delhi 110025
T: +91 11 42424000 F: +91 11 42424077
www.samtelgroup.com
CIN: L51909DL1986PLC024222

September 8, 2017

The General Manager
Listing Compliance
BSE Limited
P J Towers, Dalal Street
Mumbai – 400 001

Sub: **Initiation of Corporate Insolvency Resolution Process (CIRP)**

Sir,

The Punjab National Bank, one of the Financial Creditor had filed an application with Hon'ble National Company Law Tribunal (NCLT), New Delhi for initiation of Corporate Insolvency Resolution Process (CIRP) against Samtel Color Limited u/s 7 of the Insolvency and Bankruptcy Code (IBC).

The Hon'ble NCLT after hearing the application vide its Order dated September 7, 2017 admitted the application of the Financial Creditor for initiation of Corporate Insolvency Resolution Process (CIRP) and has appointed Mr. Sanjay Gupta (Registration No. IBBI/PA-001/IP-P00117/2017-18/10252 as Interim Resolution Professional.

Please note that with the appointment of Interim Resolution Professional, the power of the Board of Directors of the Company stands suspended and the same will be exercised by the interim resolution professional.

Copy of the Order is enclosed for your kind reference.

This is for your information and record please.

Thanking you,

Yours faithfully
For SAMTEL COLOR LIMITED

Authorized Signatory
Encl: As above

IN THE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI
PRINCIPAL BENCH

CP No. (IB)-132(PB) / 2017

IN THE MATTER OF:

Punjab National Bank .....Financial Creditor / Applicant
v.
Samtel Color & Ors. ..... Corporate Debtor / Non-applicant

SECTION: Under Section 7 of the Insolvency and Bankruptcy Code 2016.

Judgment delivered on 07.09.2017

Coram:

CHIEF JUSTICE M.M. KUMAR
Hon'ble President

Deepa Krishan
Hon'ble Member (T)

For the Financial Creditor/Applicant : Shri Hashmat Nabi, Advocate
: Ms. Sweta Jha, Advocate

For the Corporate Debtor/Non-applicant : Shri Kunal Godhwani, Advocate
: Shri Karan Khanna, Advocate
: Shri Mohit Taneja, Advocate

JUDGMENT

Ms. Deepa Krishan, Member (Technical)

The Punjab National Bank (for brevity 'PNB-Financial Creditor') has filed the instant application under Section 7 of the Insolvency and Bankruptcy Code, 2016 (for brevity 'the Code') with a prayer for triggering

the insolvency resolution process in the matter of Samtel Color & Ors. (for brevity the 'Corporate Debtor'). It is appropriate to mention that 'PNB-Financial Creditor' is a body corporate constituted by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 having its registered office at 7, Bhikaji Cama Place, New Delhi.

2. The Corporate Debtor is M/s Samtel Color Limited having its registered office at 501, 5th Floor, Copia Corporate Suits, Plot No.-9, District Centre – Jasola, New Delhi – 110025. Its identification number is L51909DL1986PLC024222, and date of incorporation is 16.06.1986. The Corporate Debtor's nominal share capital is Rs. 175,00,00,000/- (Rupees One Hundred and Seventy-Five Crores Only) and paid up capital is Rs. 1,16,28,53,870/- (Rupees One Hundred Sixteen Crores, Twenty-Eight Lakhs, Fifty-Three Thousand, Eight Hundred and Seventy).

3. The 'Financial Creditor' has proposed the name of Insolvency Professional, Shri Sanjay Gupta, Address – E-86, Second Floor, Lajpat Nagar-1, New Delhi-110024, email id-sanjay.gupta@aaacapitalservices.com (Regn. No. IBBI / IPA-001 / IP-00513 / 2016-17 / 1344). A copy of the registration certificate dated 25.05.2017 issued by the Insolvency and Bankruptcy Board of India has also been filed along with a print out of the list of registered Insolvency Professionals along with extract of list of Insolvency Professionals as

appearing on their website, which includes the name of Sanjay Gupta. The relevant entry is reproduced below: -

252	IBBI/IPA-001/IP-P00117/2017-18/10252	Mr. Sanjay Gupta	E-10A, Kailash Colony, Greater Kailash-1, New Delhi - 110048	sanjay.gupta@aaacapitalservices.com	Indian Institute of Insolvency professionals of ICAI	25 May, 2017	Registered Under Regulation 9 (Sl.no 277)

It is seen that the details given above are correct, with regard to email and address of IRP as it pertains to the later period of 2017-18.

4. The instant application under section 7 of IBC was filed on 24.05.2017 by Punjab National Bank in respect of sixteen respondents. In addition to Respondent-1 company, M/s Samtel Color Ltd., respondent no. 2 to 16 were impleaded in their capacity as being other banks and financial institutions who were claiming *pari passu* charge over the movable and immovable assets of Respondent-1. On 06.07.2017, the applicant filed an application for deletion of Respondent no. 2 to 16 from the array of parties, as they were neither proper nor necessary parties for the purposes of the instant petition. This application was disposed of with the direction that the names of aforesaid respondents be deleted from the memo of parties. Thus, the instant petition survives against only one respondent, namely, Samtel Color Ltd.- the Corporate Debtor.

5. The 'Financial Creditor' has given the details of Financial Debt, Working Capital Facilities, Details of Term Loan and External Commercial Facilities. In part-IV of the application, which is on a proforma prescribed under Rule-4 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 read with Section 7 of the Code, has given the following details about the financial debts:

Part-IV Particulars of Financial Debt		
1.	Total Amount of Debt Granted	Punjab National Bank (PNB) sanctioned the following facilities: Applicant Bank sanctioned various facilities which were extended from time to time to the Respondent no.-1 company, lastly sanctioned on 05.12.2006. The facility sanction and availed by Respondent no.-1 were Fund based limit of Rs. 31.32 crores, Non-Fund based limit of Rs. 55.04 crores and Corporate Loan of Rs. 25.00 crores.
	Date(s) of Disbursement: - The brief particulars of the various facilities which was earlier extended to M/s. Samtel Colour Ltd. by Consortium led by	

	Applicant Bank before another consortium led by ICICI Bank were as under :-	
	Date of Sanction	Details of the Facilities Sanctioned by the Applicant and availed by the M/s. Samtel Colour Limited.
	21.01.1987	1. Fund-based limit of Rs. 1.60 Crore 2. Non-Fund Based Limit of Rs. 4.75 Crore 3. Term Loan of Rs. 4.00 Crore 4. Bridge Loan of Rs. 2.00 Crore.
	24.02.1987	FLC limit was enhanced from Rs. 3 Crore to 5.60 Crore on usance basis.
	08.09.1987	The Term Loan was enhanced from Rs. 4 Crore to 5.00 Crore. Specific FCL for import of machinery was to the tune of Rs. 5.00 Crore.
	29.08.1988	Fund Based Limit was enhanced from Rs. 1.60 Crore to 5.08 Crore and non-fund based limit was enhanced from Rs. 5.75 Crore to Rs. 18.00 Crore.
	30.03.1989	Fund Based limit was enhanced from Rs. 5.08 Crore to Rs. 11.09 Crore and non-fund based limit was enhanced from Rs. 18 Crore to Rs.

		18.50 Crores. Additional Term Loan of Rs. 0.46 Crore was also sanctioned.
	19.10.1989	P/C limit was enhanced from Rs. 6 Crores to Rs. 12 Crores within the Fund Based Limit of Rs. 19.75 crores and Non-Fund Based Limit was enhanced from Rs. 20 crores to Rs. 27 Crores.
	13.03.1990	After review of existing Fund-Based Limit it was enhanced to Rs. 19.75 Crore as a consortium finance. Non-Fund Based Limit was enhanced from Rs. 27.00 to Rs. 32.00 Crores and ABC (DDB) was enhanced from Rs. 1.00 Crore to Rs. 5.00 Crore within Post Shipment Facility of Rs. 8.00 Crore.
	31.01.1992	The consortium enhanced the facility from Rs. 19.75 Crore to Rs. 24.80 crores with PNB share remaining at level of Rs. 14 Crores. Post Shipment Facility by the consortium was enhanced from Rs. 8 Crores to Rs. 18 Crores with PNB shares from Rs. 8 Crores to Rs. 12 Crores.

		The Non-Fund Based Limits was enhanced from Rs. 32 Crores to Rs. 38.00 Crores by the Consortium with PNB shares being reduced from Rs. 32 Crores to Rs. 19.25 Crores.
	18.08.1994	Fund Based Limit was enhanced from Rs. 14 Crores to Rs. 18.40 Crores. Non-Fund Based Limits was enhanced from Rs. 19.25 Crores to Rs. 24.80 Crores. The Post Shipment Facility of Rs. 12 Crores was renewed (outside PBF).
	17.02.1997	Fund Based Limits was enhanced to Rs. 36.90 Crores & Non-Fund Based Limit was enhanced to Rs. 32.50 Crores with Specific FLC (DP) of Rs. 10 Crore, Specific LG of Rs. 10 Crore.
	01.12.2000	Working Capital Consortium Agreement was entered into between Samtel Color Limited (Respondent no.-1) PNB, Canara Bank, Standard Chartered Bank, Grindlays Bank Ltd., ICICI Bank Ltd.

		The Applicant Bank share was to the tune of Rs. 36.90 Crore for fund based facilities and Rs. 34.50 Crore for non-fund based facility.
	15.03.2003	Inter-se agreement dated 15.03.2003 executed between consortium banks and Joint deed of Hypothecation dated 15.03.2003 between company and consortium banks. In terms of the consortium documents, the applicant bank facilities were to the tune of Rs. 30.40 Crore for fund based facility and Rs. 32.20 Crore for non-fund based facility.
	23.05.2003	Working Consortium Agreement entered into between Samtel Color Limited with Applicant Bank being Consortium Leader and Canara Bank, UTI Bank Ltd., SBI, Standard Chartered Bank, Export Import Bank of India, ICICI Bank Ltd. Applicant Bank Facilities were to the tune of Rs. 30.40 Crore for fund based facilities and Rs. 32.20 Crore for non-fund based facility. Inter-se agreement dated 23.05.2003 executed between consortium banks.

	18.08.2004	Fund Based Limits was enhanced to Rs. 29.47 Crores and Non-Fund Based Limit was enhanced to Rs. 42.14 Crores.
	30.12.2005	Working Capital Consortium agreement between Samtel Colour limited and the Applicant Bank acting as leader on its behalf and on behalf of Canara Bank, UTI Bank Ltd., SBI, ABN Amro Bank NV, ICICI Bank Ltd. Applicant Bank Credit Facilities were to the tune of Rs. 29.47 Crore for non-fund based facility. Joint Deed of Hypothecation executed between Samtel Colour Limited, Respondent no.-1 and Applicant Bank (Leader of the Consortium) and subsequently on 17.07.2006, Supplementary Agreement was executed by the company. Inter-se agreement dated 30.12.2005 executed between consortium banks.
	21.11.2006	The Fund Based Limit and Non-Fund Based Limits of Applicant Bank was to the tune of Rs.

		31.32 Crores and Rs. 55.04 Crores respectively, and one-time FLC limit of Rs. 10 Crore was also sanctioned.
	12.12.2006	Deed of hypothecation to secure LC on DA/DP basis dated 12.12.2006 for Rs. 55.04 Crore was executed by Respondent no.-1. Hypothecation of movable assets forming part of fixed / block assets dated 12.12.2006 for Rs. 86.36 Crores was executed by the Respondent no.-1. Packing Credit agreement (Hypothecation) dated 12.12.2006 for Rs. 15 Crores was executed by the Respondent no.-1. Bill discounting, FOBP/FOBNLC/FOUBP/ Advance against clearing, OD against export incentives, ODD agreement dated 12.12.2006 for Rs. 37.62 Crores was executed by the company. Hypothecation of current assets agreement dated 12.12.2006 for Rs. 86.36 Crores was executed by the Respondent no.-1.

		Term loan cum Hypothecation agreement dated 12.12.2006 for Rs. 25 Crores was executed by the Respondent no.-1. Agreement for loan for duty draw back dated 12.12.2006 for Rs. 4.30 Crores was executed by the Respondent no.-1.
	17.08.2007	Agreement of Guarantee dated 17.08.2007 executed by Shri Satish Kaura, Director of the Respondent no.-1 in his personal capacity as guarantor, for Term Loan of Rs. 25 Crore.
2.	Amount Claimed = Rs. 236,20,17,559.29/- Date of Default = 14.01.2016	

6. It is also averred in the application that "on the request of the Respondent No. 1 through its M.D. / authorized person, Applicant Bank vide letter dated 16.06.2009 reviewed the NFB Limit of Rs. 41 crores and deferred the TL instalments falling due in 2009-10 by another one year, In regard to the facility the Respondent No. 1 executed following letters / documents; -

Supplemental and Amendatory Agreement of Guarantee dated 29.06.2009 executed by the Respondent no. 2.

Supplementary Agreement for Reschedulement of Term Loan (Corporate Loan) dated 29.06.2009 executed by the Respondent no. 1

Supplementary Agreement for Reschedulement of Working Capital Term Loan dated 29.06.2009 executed by the Respondent no. 1.

Supplemental and Amendatory Agreement of Guarantee dated 30.06.2009 executed by Mr. Satish Kaura, Director of the Respondent no. 1 in his personal capacity as guarantor.

7. The said Working Capital Facility was secured by first *pari passu* charge in favour of Applicant Bank with other consortium Banks by way of hypothecation of Borrower's entire stock of raw materials, semi-finished goods, consumables stores and such other movables including book debts, outstanding monies, receivables, both present and future ("Current Assets") and second *pari passu* charge in favour of Applicant Bank with other consortium Banks on Borrower's fixed assets, both present and future, including movable machinery, machinery spares, tools and accessories, present and future ranking second and subservient to the charge created / to be created in favour of the term lenders ("Fixed Assets").

8. The Restructured Credit Facilities were secured by creation of equitable mortgage over the Immovable Properties (hereinafter collectively referred to as "the Mortgaged Properties") situated at:

Part of the Chhapraula Property, i.e. (i) 23.93 acres (11.43 acre leasehold and 12.50 acre of freehold) land and buildings along with any structures etc. situated at Chhapraula Village, Tehsil Dadri, Dist Ghaziabad, Uttar Pradesh as well as (ii) 1.7 acres (8243 sq. yard) of land and buildings along with any structures etc. and plant and Machinery situated at Chhapraula Village, Tehsil Dadri, Distt. Ghaziabad, Uttar Pradesh.

Greater Noida Property i.e. 41.10 acre (166294.81 Sqm.) of land and building along with any structure situated thereof and Plant and Machinery situated at Plot No. 2, Ecotech IV, G T Road. Greater Noida.

Ghaziabad Property-I and Ghaziabad Property-II i.e. 3.4 acre of industrial plot along with Buildings and structures situated thereof and Plant and Machinery situated at Industrial Plot No. C-1/1, C-2 & C-3 Industrial Area, Sector-22, Meerut Road, Ghaziabad UP.

Parwanoo Property i.e. 9581 Sq. Meters of land along with buildings and structures situated thereof and Plant and Machinery situated at Plot No. 6, Sector-II, Parwanoo Industrial Area, Parwanoo-173 220,(H.P.).

_0.25 acre (1,216.66 Sq yard) of land along with buildings and structures thereof and Plant and Machinery situated at R-9/10, Raj Nagar, Ghaziabad, UP.

9. Further, the Respondent no. 1 created first *pari passu* Charge on all present and future Fixed Assets including stocks, consumables, book debts, Plant and Machinery (hereinafter referred to as "the Hypothecated Assets") of the Respondent No. 1 situated, at:

a) Chhapraula Village, Bullandshahar Road, Tehsil Dadri, Distt Ghaziabad (Now in Distt. Gautam Budh Nagar) Ghaziabad, Uttar Pradesh.

b) Plot No. 6, Sector-II, Parwanoo Industrial Area, Parwanoo-173 220, (H.P).

c) Plot No. C-1/1, C-2 & C-3, Industrial Area, Sector-22, Meerut Road, Ghaziabad, U.P.

d) Village-Naya Nohra, Kota Barran Road, Tehsil-Laadpura, District-Kota.

The Respondent no. 1 executed the following balance security confirmation letters dated 07.05.2009 in favour of applicant bank: -

S.No.	Facility	Amount
1.	WCTL-I	259459172/-
2.	Corporate Loan	252557299/-
3.	FITL	54628730/-
4.	WCTL-II	45100000/-

In terms of the Amendatory MRA dated 19.01.2010, the liability of the Respondent no. 1 company, was also duly acknowledged by the Respondent Company which was as under: -

Term Loan	:	Rs. 24.83 crore
Working Capital Facility	:	Rs. 41.00 crore

That the Respondent no.1 company also intended to create charge over the property situated at 7 KM milestone, Naya Nohra, Kota Baran Road, Kota admeasuring 6.2 Hectares (15.3 acre) (hereinafter "KOTA PROPERTY"). However, in order to secure the repayment of the restructured credit facilities the Respondent no. 1 company executed a Non-disposal undertaking whereby they undertook not to sell, transfer, assign, dispose off, mortgage, charge, pledge, or create any lien or in any way encumber in the said Kota Property.

10. That pursuant to the Facility Documents and Other Documents executed by the borrower in favour of the lender (including the applicant bank), the applicant bank disbursed the amount to the borrower from time to time out of the Restructured Facilities. In terms of the facility documents the borrower was required to repay the dues under the Restructured Facilities and also to pay interest there on at the rates and in the manner set out therein. The borrower failed and neglected to meet its repayment

obligation towards and bank and has committed serious breaches and defaults.

11. In view of the aforesaid classification, the Applicant Bank issued demand notice dated 20.08.2013 demanding an amount of Rs. 158,59,74,423.98 (Rupees One Hundred Fifty-Eight Crore Fifty-Nine Lakhs Seventy-Four Thousand Four Hundred Twenty-Three and Paise Ninety-Eight Only) under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act. The borrower was informed that in case of their failure to pay the above-mentioned amount with further interest at the contractual rate within 60 days from the date of notice, the Bank would exercise all or any of the power as provided under Section 13(4) of the said Act and outcome of the action taken under Securitization Act will be informed. The copy of the Notice dated 20.08.2013 issued u/s 13(2) Securitisation and Reconstruction of Financial Assets and Enforcement Security Interest Act, 2002 is annexed hereto as Annexure-PP to the list of documents.

12. That since the Respondent failed to comply with the requisition contained in notice issued under Section 13 (2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, the Respondent No. 2 has proceeded and taken symbolic

possession under Section 13 (4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 qua all the mortgaged properties which was a secured assets of the applicant bank on 11.04.2014, 16.04.2014 & 24.04.2014.

13. That the applicant bank also sent recall notice on 14.01.2016 and called upon the respondent no. 1 to the pay due with interest up to 14.01.2016 which comes to Rs. 236,20,17,559.29 (Rupees Two Hundred Thirty Six Crores Twenty Lacs Seventeen Thousand Five Hundred Fifty Nine and Twenty Nine Paise). The copy of the recall notice dated 14.01.2016 is annexed hereto as Annexure-QQ to the list of documents.

14. The amount due with interest up to 14.01.2016 comes to Rs. 236,20,17,559.29 (Rupees Two Hundred Thirty Six Crores Twenty Lacs Seventeen Thousand Five Hundred Fifty Nine and Twenty Nine Paise). Applicant bank is filing the statement account duly certified as per banker's books evidence act and redrawn statement of accounts as per pre-CDR terms and interest re-calculated."

15. The Summary of Outstanding Balances as given in the part-IV of the application is as follows: -

Account	A/c No.	O/s as per CBS on date	O/s as on 14.01.2016 (excluding Penal interest)
Term Loan	IC19279	202,800,000.00	634,897,329.03
Devolved LCs	Combined	731,226,632.10	1,532,864,160.55
		934,026,632.10	2,167,761,489.58
Penal Interest			
Term Loan	IC19279		68,629,953.29
Devolved LCs	Combined		125,469,115.42
			194,099,068.71
Accountwise Total O/s (including Penal Interest)			
Term Loan	IC19279		703,527,282.32
Devolved LCs	Combined		1,658,333,275.97
Total		934,026,632.10	2,361,860,558.29
Add: Legal / other expenses not debited to the accounts			**157,001.00**
Total Bank's claim as on 14.01.2016			**2,362,017,559.29**

Particulars of the Financial Debt along with documents, records and evidence of default have been filed in the application.

16. It is seen that the original application no. 86/2016 titled "Punjab National Bank Vs. M/s. Samtel Colour Limited & Ors" was filed under

Section 19 of recovery of debts due to banks and Financial Institution Act, 1993 before the Debts Recovery Tribunal-II, Delhi for seeking recovery of Rs. 236,20,17,559.29/- being the due amount as on 14.01.2016 payable by the respondents jointly and severally to the applicant bank besides pendentelite and future interest @ 13% P.A. in the Corporate Loan Account and @ 17.50 % P.A. in the due date default accounts with monthly rest alongwith all further charges, expenses, etc. and cost of the application.

17. It is stated in the above para- IV of the application that Corporate Debtor had filed a reference under Section 15 (1) of the Sick Industrial Companies Act (Special Provisions) Act, 1985 being Case No. 58/2012 before Board for Industrial and Financial Reconstruction Branch Office-III, (BIFR) and BIFR vide order dated 03.12.2014 declared the Corporate Debtor as a sick company.

18. It is further stated in the application that the Corporate Debtor has been availing credit facilities from other banks apart from Punjab National Bank-Financial Creditor / Applicant and other banks and financial institutions. These banks also have *pari passu* charge over the property and assets both movable and immovable, hypothecated in their favour.

The details of charges created in favour of applicant bank and other banks as per ROC search report have been filed in Part-V of the application.

19. Copies of entries in Bankers Books in accordance with Bankers Book Evidence Act, 1891 for the period from 13.06.2006 to 14.01.2016 are attached as Annexure-B to the list of documents.

20. Counsel for the Financial Creditor / Applicant has filed before us, a copy of letter dated 06.07.2017 of the Respondent no.-1 company / Corporate Debtor in response to the Financial Creditor's notice dated 30th June, 2017 enclosing a complete set of application filed on behalf of Punjab National Bank under Section 7 of the IBC. An extract of the Respondent no.-1's reply is given below: -

(1) "The company have manufacturing plants spread across three states and have invested huge fund in building the said manufacturing facilities. In those manufacturing facilities, approximately 4500 workers are engaged. They have not received their wages & dues and are very actively agitating at all locations.

(2) That despite adverse market conditions, the Company's manufacturing activities were in full swing till 2010-2011 and it could have continued for much longer period had there been cooperation and understanding of the liquidity crisis by the Bankers / Secured Lenders.

(3) That even, at that stage the Management put all their efforts to revive the Company and were almost successful but for the non-cooperative attitude of the Banks / Secured Lenders. If, the desired liquidity has been pumped in at that time, the Company would have been active at this juncture.

(4) That the Company, in fact till 2011-12 put its best efforts to honour its commitment towards payment of Principal and interest thereon and on cursory look of your application, it appears that your client i.e. Punjab National Bank has not taken into account all the adjustment made as per the restructuring schemes approved under CDR mechanism and payments made thereafter by the Company.

Thus, the claim put forward by your client in the application before the Hon'ble National Company Law Tribunal is exaggerated, unsubstantiated, frivolous and not in accordance with the accepted restructuring scheme.

(5) That Due to heavy losses and erosion of net worth, the Company made a reference to the erstwhile Hon'ble Board for Industrial & Financial Reconstruction (BIFR) and same was registered under reference number 58/2012 in October, 2012.

That as per the order of Hon'ble BIFR, the Company had drawn up an elaborate revival plan, taking into consideration the market demand and available financial strength. The revival plan was submitted to the Secured Creditors, including Punjab National Bank, through ICICI Bank Ltd. the Operating Agency (OA). The revival plan was prepared, considering the interest of all stake holders including the secured creditors, the Workers & Employees and the Statutory Authorities (for Statutory Dues).

However, instead of deliberating and exploring the possibilities of revival of the Company, the secured creditors

including Punjab National Bank opt for actions under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and got the proceedings at BIFR abated.

By this action of the Secured Lenders, not only the revival of the Company was jeopardized, but the future of approximately 4500 workers, many employees and other stakeholders was adversely affected.

(6) That your client i.e. Punjab National Bank to recover its alleged dues has also approached the Hon'ble Debt Recovery Tribunal, Delhi and the matter is sub-judice."

21. Learned Counsel of the Corporate Debtor was given an opportunity to file a reply to the petition within one week on 10.07.2017. However, it is seen that the Corporate Debtor has not availed of this opportunity, even by the next date of hearing i.e. 18.07.2017. So be it.

22. We have also heard learned Counsel for the 'Financial Creditor' who has taken us through the various paras of the application as already recorded in the preceding paras from the perusal of the record. We are satisfied that the 'Financial Creditor' has proved by overwhelming evidence that default has occurred. Accordingly, the application for initiation of Corporate Insolvency Resolution Process under section 7 is admitted and Mr. Sanjay Gupta, Registration No. IBBI/IPA-001/IP-P00117/2017-18/10252 is appointed as Interim Resolution Professional.

23. In pursuance of Section 13 (2) of Code, we direct that public announcement shall be immediately made by the Interim Resolution Professional with regard to admission of this application under Section 7 of the Code. We also declare moratorium in terms of Section 14 of the Code. A necessary consequence of the moratorium flows from the provisions of Section 14 (1)(a), (b), (c) & (d) and thus the following prohibitions are imposed:

"(a) the institution of suits or continuation of pending suits or proceedings against the Respondent no.-1 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 Respondent no.-1 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 Respondent no.-1 in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Respondent no.-1."

24. It is made clear that the provisions of moratorium shall not apply to transactions which might be notified by the Central Government or the supply of the essential goods or services to the Respondent no.-1 as may be specified is not to be terminated or suspended or interrupted during the moratorium period.

25. The Petition is disposed of in the above terms.

-Sd-

(CHIEF JUSTICE M.M. KUMAR)

PRESIDENT

07.09.2017

-Sd-

(DEEPA KRISHAN)

MEMBER (TECHNICAL)

Kanta Beniwal
07.09.2017