

**NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI**

CP/550/(IB)/2018

Under Section 7 of the IBC, 2016

In the matter of

STATE BANK OF INDIA

....Petitioner/Financial Creditor

Vs.

M/s. SURANA CORPORATION LTD

...Respondent/Corporate Debtor

Order delivered on: 05.10.2018

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**CH.MOHD.SHARIEF TARIQ, MEMBER (JUDICIAL)
S.VIJAYARAGHAVAN, MEMBER (TECHNICAL)**

For the Petitioner/FC : *Ms.Anitha, Advocate*
 : *Shri.V.Gokulam, Advocate*
 : *(For India Law LLP)*

ORDER

Per: S.VIJAYARAGHAVAN, MEMBER (TECHNICAL)

1) Under consideration is a Company Petition filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 (in short **IB Code 2016**) r/w rule 4 of Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (for brevity, **IB Rules 2016**).

2) The Corporate Debtor in CP/550/IB/2018 (for brevity "CD") is a public limited company having its registered office at No.30, GNT Road, Madhavaram, Chennai, Tamil Nadu- 600110.

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3) The Financial Creditor, SBI has originally sanctioned to the borrower, fund based and non fund based facilities and after several revision and pursuant to the CDR mechanism, it has restructured and renewed the credit facilities vide sanction letter dated 24.12.2014 as follows;

Cash Credit	Rs.171.49 Crore
Working Capital Term Loan (WCTL)	Rs.175.90 crore
Funded Interest Term Loan (FITL)	Rs.43.98 crore
Term Loan (Wind Mill)	Rs.47.79 Crore
Total	Rs.439.16 crore

4) The total amount in default as on 02.03.2018 is Rs.6,95,27,68,030.01/- (Rupees Six Hundred And Ninety Five Crore Twenty Seven Lakh Sixty Eight Thousand Thirty And One Paise Only). The details of the accounts are given below;

Facility	Account No.	Outstanding 30.09.2016 in Rupees	Interest from 29.06.2014 to 20.09.2016 in Rupees	Total outstanding in Rupees
Cash credit	31018844106	1,47,05,91,586.07	1,63,26,69,575.06	305,99,94,574.13
Term loan	31695262806	29,97,16,198.00	37,79,57,671.79	67,76,73,869.79
WCTL	34630911968	1,75,90,00,000.00	1,06,05,69,737.21	2,81,95,69,737.21
FITL	34631044835	25,50,97,500.00	14,04,32,348.88	39,55,29,848.88

			Total	6,95,27,68,030.01
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5) Statement of Account of the Corporate Debtor maintained by the Applicant for the period from 28.06.2014-02.03.2018 along with certificate under bankers book Evidence Act, 1891 is annexed as follows:

- a) Account No. 31018844106 : Exhibit-A/3-1
- b) Account No. 34630911968 : Exhibit-A/3-2
- c) Account No. 34631044835 : Exhibit-A/3-3
- d) Account No. 31695262806 : Exhibit-A/3-4

6) Corporate debtor is also liable to pay interest at the contractual interest rate described below from the date of default till realisation

Cash credit : bank base rate plus 6.75%, which is presently 15.4%
WCTL : bank base rate plus 6.95%, which is presently 15.6%
FITL : bank base rate plus 6.90%, which is presently 15.55%
Term Loan : bank base rate plus 6.90%, which is presently 15.55%

7) The corporate debtor has failed to comply with the restructuring package as approved by CDR EG meeting on 28.10.2014 and failed to service the interest from October 2014 and finally the CDR package was considered failed as per CDR EG meeting held on 19.05.2016. Hence the accounts of the corporate debtor were classified as NPA on 28.06.2014 in terms of the Master Restructuring Agreement. Notice was issued to the Corporate Debtor on 18.07.2016 demanding the amount in default and further Original Application was filed before DRT, Chennai vide OA.No.693 of 2016 against the corporate debtor.

8) Securities were held by the FC, SBI with other members of the consortium banks, namely Punjab National Bank, Central Bank Of India, IDBI Bank limited, Bank of India. FC has created charge on such securities as per the Loan Agreements and Consortium agreements between the banks.(Schedule-A).

- a) Details of Agreement relating to creation and extension of mortgage with respect to schedule-A properties are described in Schedule-B.
- b) The estimated value of the properties and assets in which the security interest created jointly in favour of the Financial Creditor and other members of the consortium were approximately Rs.1464.51 crores.
- c) A deed of Guarantee was executed by the Corporate gurarantors in favour of the FC on 20.10.2015 guaranteeing the repayment of the entire loan liability of Rs.1547.15 of the borrower plus all interest, liquidated damages, commitment charges, costs, charges and other monies payable by the borrower to the FC and other Consortium banks under Master Restructuring Agreements.(Exhibit A-9 & A-10)

ORDER

In this case, it is observed that the borrower has availed loan from the Financial creditor, the lead bank in the consortium of banks and a

contract of guarantee has been executed by this corporate guarantor in favour of the Financial Creditor vide a deed of guarantee dated 20.01.2015.

It is observed that the Respondent/Corporate Debtor has been set ex-parte after repeated efforts taken by the FC to reach the respondents vide order dated 07.09.2018.

Further, the Tribunal observes that the FC has filed two other petitions before this Tribunal under CP/430/IB/2018 and CP/584/(IB)/CB/2018 against the corporate guarantors of this respondent and has recommended the same person as IRP in all the three petitions, thus making it convenient for the IRP to settle the claims in proportion to the amount lent by them to the borrower along with the interest and to avoid excess recovery from the corporate debtor and the corporate guarantors.

In view of our above observations, we are inclined to admit the Petition as the Applicant has made out a case and also satisfied the Adjudicating Authority for admitting the Petition. It is also proved that there is a debt due payable by the Corporate Debtor/Respondent and both the Corporate Debtor/Borrower and Corporate Guarantors for the corporate debtor have defaulted in making the payments. In these circumstances, we hereby admit the instant Petition.



1) The instant petition is admitted and we order the commencement of the Corporate Insolvency Resolution Process against the Respondent/Corporate Debtor which shall ordinarily get completed within 180 days reckoning from the day this order is passed.

2) We appoint Mr.C.Ramasubramaniam, as Interim Resolution Professional as recommended by the Applicant. There is no disciplinary proceedings pending against the IRP and his name is reflected in IBBI website. The IRP is directed to take charge of the Respondent/Corporate Debtor's management immediately. He is also directed to cause public announcement as prescribed under section 15 of the I & B Code, 2016 within three days from the date the copy of this order is received and call for submissions of claims in the manner prescribed.

3) We declare the moratorium which shall have effect from the date of this order till the completion of corporate insolvency resolution process for the purposes referred to in section 14 of the I & B Code, 2016. We order to prohibit all of the following namely:

(i) 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.

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(ii) Transferring, encumbering, alienating or disposing of by the corporate debtors any of its assets or any legal right or beneficial interest therein;

(iii) 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)

(iv) The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.

4) The supply of essential goods or services of the Corporate Debtor shall not be terminated or suspended or interrupted during moratorium period. The provisions of Sub-section (1) of Section 14 shall not apply to such transactions, as notified by the Central Government.

5) The IRP so appointed shall comply with the provisions of sections 13(2), 15, 17 & 18 of the Code. The directors, Promoters or any other person associated with the management of Corporate Debtor are directed to extend all assistance and cooperation to the IRP as stipulated under Section 19 and for discharging his functions under Section 20 of the I & B Code.

6) The Financial Creditor as well as the Registry is directed to send the copy of this order to IRP so that he could take charge of the Corporate Debtor's/Corporate Guarantor's assets etc. and make compliance with this

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Order as per the provisions of the IBC, 2016. The IRP is directed to maintain accounts regarding the proceeds from the realisation of the assets of the Corporate Debtor and Corporate Guarantors to ensure that no sale is effected beyond the claim made by the Petitioner and other claims which may be filed by other creditors against the Corporate Debtor and Corporate Guarantors.

7) The petitioner/Financial Creditor as well as the Registry is directed to send the copy of this order to IRP regarding his appointment so that he could take charge of the Corporate Debtor's assets etc and make compliance with this order as per the provisions of the I & B Code, 2016.

8) The Registry is also directed to communicate this order to the Financial Creditor and the Corporate Debtor.

With the above directions the **petition is allowed.**

The details of the IRP are as follows;

Mr.C.Ramasubramaniam,

fcs.rms@gmail.com

RAJI'3B1, 3rd Floor,

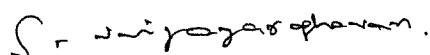
Gaiety Palace, N.1L,

Blackers Road, Mount Road,

Chennai, Tamil Nadu -600002.

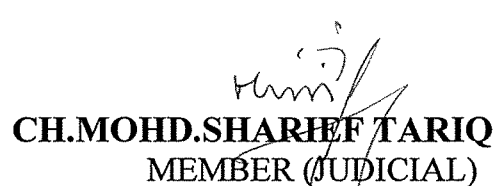
Mob: 9884068292

IBBI/IPA-002/IP-N00052/2016-2017/10096.



S.VIJAYARAGHAVAN
MEMBER(TECHNICAL)

/sd/tjs


CH.MOHD.SHARIF TARIQ
MEMBER (JUDICIAL)