

IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH

CP (IB) -2469/MB/2018  
Under Section 7 of the I&B Code, 2016  
In the matter of

UCO Bank  
UCO Bank, 10, B.T.M. Sarani,  
Kolkata- 700 001.

.... Financial Creditor

Vs.

PMT Machines Limited  
Post Bag No. 1102, Pimpri, Pune,  
Maharashtra 411018.

.... Corporate Debtor

Order delivered on :22.10.2018

Coram:

Hon'ble Mr. Bhaskara Pantula Mohan, Member (J)

Hon'ble Mr. V. Nallasenapathy, Member (T)

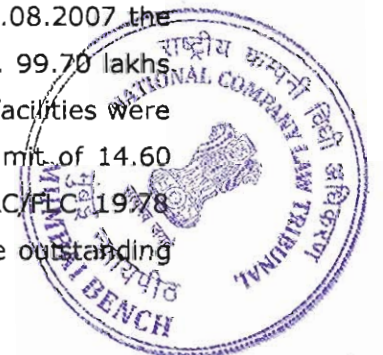
For the Petitioner: Ms. Anamika, Adv. i/b. HSA Advocates

For the Respondent: Mr. Prem Jha and Ms. Shilpa Chavan, Advocates.

*Per: V. Nallasenapathy, Member (T)*

**ORDER**

1. This Petition is filed by the Petitioner / Financial Creditor, UCO Bank (hereinafter called as "Petitioner"), against PMT Machines Limited (hereinafter called "Corporate Debtor"), seeking to set in motion the Corporate Insolvency Resolution process under section 7 of the Insolvency & Bankruptcy Code, 2016 (the Code) read with Rule 4 of Insolvency & Bankruptcy (Application to Adjudicating Authority), Rules 2016, on the ground that the Respondent defaulted in making payment of a sum of Rs. 119,76,00,000/- as on 31.05.2018, including interest and the date of default being 31.12.2011.
2. The Petition reveals that, on 15.04.2006 the Petitioner renewed credit facilities to the extent of Rs. 55.70 Lakhs, subsequently on 29.08.2007 the Petitioner has renewed and enhanced the credit facilities to Rs. 99.70 lakhs and the final renewal letter dated 30.03.2012 reveals that the facilities were renewed for Rs. 95.48 Crores, which consists of cash credit limit of 14.60 crores, WCDL 58.40 crores, Bank Guarantee 2.70 crores, ILC/PLC 19.78 crores. The Petition reveals that, a sum of Rs. 36.96 crores are outstanding



in the cash credit facility and Rs. 82.80 crores in respect of Term Loan., thus totalling to a sum of Rs. 119.76 crores.

3. The Petitioner has enclosed the following security documents connected with the facilities sanctioned:

- (a) Deed of Mortgage dated 28.03.2006 to secure the sum of Rs.113,37,50,000/- in favour of Consortium banks, annexed as Exhibit-G to the Petition.
- (b) Demand Promissory Note dated 12.10.2007 executed by the Corporate Debtor in favour of UCO Bank promising to pay a sum of Rs. 48,00,00,000/-, annexed as Exhibit-N to the Petition.
- (c) Letter of Continuity executed on 12.10.2007 by the Corporate Debtor in favour of UCO Bank as security for an advance of Rs. 48,00,00,000/-, annexed as Exhibit-O to the Petition.
- (d) Letter of Waiver dated 12.10.2007 executed by the Corporate Debtor in favour of UCO Bank, annexed as Exhibit-P to the Petition.
- (e) Copy of deed of Guarantee dated 12.10.2007 executed by two directors i.e. Mr. Nitin Sandesara and Mr. Chetan Sandesara and Sterling Biotech Limited for an amount of Rs. 99,70,00,000/-, annexed as Exhibit-Q to the Petition.
- (f) Deed of Hypothecation dated 12.10.2007 executed by the Corporate Debtor in favour of UCO Bank for an amount of Rs. 99,70,00,000/-, annexed as Exhibit-R to the Petition.
- (g) Memorandum of Confirmation of pari passu charge dated 04.10.2007 executed by the Corporate Debtor in favour of lenders, annexed as Exhibit-L to the Petition.
- (h) Joint Deed of Hypothecation dated 04.10.2007 executed by the Corporate Debtor in favour of the Consortium of Banks, annexed as Exhibit-K to the Petition.
- (i) List of Charges wherein the Corporate Debtor registered charges in favour of the Petitioner and other entities.
- (j) Memorandum of Confirmation of pari passu Arrangement dated 26.09.2008 executed between the Corporate Debtor and the Consortium of Banks in respect of an amount of Rs. 205,52,00,000/-, annexed as Exhibit-U to the Petition.



- (k) Joint Deed of Hypothecation dated 26.09.2008 executed between the Corporate Debtor and the Consortium of Banks with respect to an amount of Rs. 205,52,00,000/-, annexed as Exhibit-V to the Petition.
- (l) Joint Deed of Hypothecation dated 25.11.2014 executed by the Corporate Debtor in favour of Consortium of Banks with respect of an amount of Rs. 191,30,00,000/-, annexed as Exhibit-AA to the Petition.
- (m) Memorandum of confirmation of pari passu arrangement dated 25.11.2014 executed between the Corporate Debtor and the Consortium of Banks for Rs. 191,30,00,000/-, annexed as Exhibit – BB to the Petition.
- (n) General Counter Indemnity dated 25.11.2014 executed between the Corporate Debtor and the consortium of banks with respect to an amount of Rs. 6,20,00,000/-, annexed as Exhibit – CC to the Petition.
- (o) Corporate Guarantee dated 25.11.2014 executed by Sterling Biotech Ltd. and the consortium of banks with respect to an amount of Rs. 191,30,00,000/-, annexed as Exhibit- DD to the Petition.
- (p) Deed of Personal guarantee dated 25.11.2014 executed by two directors i.e. Mr. Nitin Sandesara and Mr. Chetan Sandesara in favour of consortium of banks for an amount of Rs. 131,30,00,000/-, annexed as Exhibit-EE to the Petition.
- (q) Balance confirmation by Corporate Debtor for the whole consortium loan amount of Rs. 179,06,22,000/-, annexed as Exhibit-FF to the Petition.
- (r) Statement of account from 01.01.2007 to 06.06.2018, annexed in Volume III (A) – (D) to the Petition.
- (s) Notice dated 11.05.2013 under Section 13(2) of the SARFAESI Act, 2002, annexed as Exhibit HH to the petition.

4. The Petitioner submitted that the Corporate Debtor has made payments of Rs. 6,35,00,000/- and Rs. 19,20,00,000/- on 23.07.2015 and 01.08.2015 respectively. Further there was another receipt of Rs. 1,04,22,000/- on 27.10.2015. All these were credited to the Term Loan Accounts and hence the debt is not barred by limitation.



5. The Counsel for the Corporate Debtor appeared on 31.08.2018 and made a request that they have submitted one-time settlement proposal to the Petitioner and sought time. Considering his request, the case was listed on 10.09.2018, and the Counsel requested time to file reply and accordingly the matter was listed on 28.09.2018. Again on 28.09.2018 the Counsel for the Corporate Debtor sought time to file reply, as a last chance the case was adjourned to 03.10.2018 with a clear indication that if reply is not filed the right to file the reply will be forfeited and the matter will be heard on merits. On 03.10.2018, again the Counsel for the Corporate Debtor requested time to file reply and in view of the earlier direction the right to file reply was forfeited and the matter was heard on merits.
6. This Adjudicating Authority, on perusal of the documents filed by the Petitioner, is of the view that the Corporate Debtor defaulted in repaying the loan availed and also placed the name of the Insolvency Resolution Professional to act as Interim Resolution Professional and there being no disciplinary proceedings pending against the proposed resolution professional, therefore the Application under sub-section (2) of section 7 is taken as complete, accordingly this Bench hereby admits this Petition prohibiting all of the following of item-I, namely:
- (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 the 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) 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 22.10.2018 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.
- (V) That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.
- (VI) That this Bench hereby appoints Mr. Ram Ratan Kanoongo, C/o., Headway Resolution and Insolvency Services Pvt. Ltd. 1006, Raheja Centre, 10<sup>th</sup> Floor, Free Press Marg, Nariman Point, Mumbai - 400021, Email:ram@headwayip.com, having Registration No. IBBI/IPA-001/IP-P00070/2017-18/10156 as Interim Resolution Professional to carry the functions as mentioned under Insolvency & Bankruptcy Code.

10. Accordingly, this Petition is admitted.

11. The Registry is hereby directed to communicate this order to both the parties and the Interim Resolution Professional within seven days from the date the order is made available.

Sd/-

Sd/-



V. NALLASENAPATHY  
Member (T)

**Certified True Copy**  
Copy Issued free of cost  
On 23/10/2018



Assistant Registrar

National Company Law Tribunal Mumbai Bench

SHANKARA PANTULA MOHAN  
Member (J)