

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, CHENNAI**

CP/541/IB/2018

Under Section 7 r/w rule 4 of the IBC, 2016

In the matter of M/s. Marg Limited & 3 Others

ICIC Bank Limited

---Financial Creditor

V/s

M/s. Marg Limited & 3 Others

---Corporate Debtor

Order delivered on: 28.05.2019

Coram:

B. S.V. PRAKASH KUMAR, MEMBER (JUDICIAL)

S. VIJAYARAGHAVAN, MEMBER (TECHNICAL)

For the Financial Creditor : *Shri. E. Om Prakash, Sr. Advocate*
Shri. R. Vanjinathan, Advocate
Shri. V.M Karthik, Advocate
For M/s. Ramalingam & Associates

For the Corporate Debtor : *Shri. N.P Vijay Kumar, Advocate*
Shri. R. Pradeep, Advocate

ORDER

Per: B. S.V. PRAKASH KUMAR, MEMBER (JUDICIAL)

Heard and Pronounced on: 28.05.2019

It is a Company Petition u/s 7 of the Insolvency and Bankruptcy Code, 2016 (the "Code") the Financial Creditor filed against the Corporate Debtor for initiation of Corporate Insolvency and Resolution Process ("CIRP") on the ground the Corporate

Debtor defaulted in repaying the outstanding amount of ₹ 71,69,27,203.48 due and payable as on 24.04.2018.

2. On perusal of this Company Petition, it appears that this Financial Creditor sanctioned a Rupee Term Loan Facility of ₹165 Crores on execution of a Credit Arrangement letter (CAL) dated 31.12.2009 to enable the Corporate Debtor to finance up to 50% contribution in the business plan of establishing Karaikal Port Private Limited (KPPL) by equity participation and Capital expenditure.

3. The terms and conditions of the said Rupee Term Loan Facility was changed at the request of the Corporate Debtor through Credit Arrangement Letter (CAL) dated 07.04.2010 wherein the purpose of the facility was to enable the Corporate Debtor to finance up to 50% contribution in the business plan in establishing Karaikal Port Private Limited and New Chennai Township Private Limited by way of equity participation in Capital expenditure.

4. Again on 18.06.2010, a revised Amendatory Credit Arrangement Letter was issued making amendments to the earlier

Credit Arrangement Letter. Subsequent thereto, a term loan was disbursed and utilised by the Corporate Debtor on having last withdrawal on 29.11.2010. The repayment of this loan was to be made in 21 equated quarterly instalments starting from 02.07.2011.

5. The Corporate Debtor sought for release of certain security on repayment of portion of the loan amount, accordingly the Financial Creditor, accepting the said request, issued a letter dated 15.09.2011 incorporating the modification. Thereafter, further release of certain security on pre-payment of a further part of a loan amount was sought and the Financial Creditor by Credit Arrangement Letter dated 21.06.2012 sanctioned the same.

6. When the Corporate Debtor failed to repay as agreed, the Financial Creditor initiated DRT proceedings against this Corporate Debtor. Upon which, DRT-II, Chennai issued Debt Recovery Certificate (DRC) No.145/2018 in favour of the Financial Creditor for an amount of ₹ 71,69,27,203.48 realisable from the Corporate Debtor along with interest at the rate of 6% from the date of decree till the

date of realisation. Basing on the said certificate, the Financial Creditor filed this case.

7. In addition to the Credit Arrangement Letters, the Debt Recovery Certificate, the Financial Creditor has also filed Guarantee Deed dated 23.06.2010 executed by the New Chennai Township Private Limited (NCTPL) in favour of the Financial Creditor, Deed(s) of Guarantee dated 23.06.2010 executed by Mr. G.R.K.Reddy and by Mrs. Rajini Reddy in favour of the Financial Creditor, a Deed of Simple Mortgage dated 23.06.2010 executed by NCTPL in favour of the Financial Creditor in respect of its immovable property admeasuring 564 Acres situated at Cheyyur Taluk, Kancheepuram District, Memorandum of Entry dated 03.02.2011 executed by NCTPL in favour of Indian Bank (acting for and on behalf of Financial Creditor), Deed of Hypothecation dated 23.06.2010 executed by NCTPL in favour of Financial Creditor creating charge over all of its movable assets, Pledge Form dated 28.01.2013 executed by the Corporate Debtor and Promoter (Mr.G.R.K.Reddy) pledging 3,98,75,727 and 88,61,273 shares respectively held by them in M/s.

Riverside Infrastructure Private Limited in favour of the Financial Creditor and Non-Disposal Undertaking cum Power of Attorney signed by the Corporate Debtor and Promoter Mr.G.R.K.Reddy dated 21.06.2012 with respect to shares held by him in the RIPL.

8. Looking at all these documents and the DRC No.145/2018 dated 14.05.2018 issued for an amount of ₹ 71,69,27,203.48 in favour of the Financial Creditor by DRT-II, Chennai in O.A.No.166/2016 realisable from the Corporate Debtor, and the same not being paid, it has become evident that the Corporate Debtor failed to repay the certified amount. Though this case was filed on 26th April 2018, till date the Corporate Debtor has failed to repay the claim amount except every time the Corporate Debtor saying that it was trying for settlement.

9. As the Financial Creditor has proved existence of debt and default against the Corporate Debtor by showing various documents and the certificate issued by the DRT-II, Chennai, this Bench hereby holds that this Financial Creditor has proved existence of debt as well as default against the Corporate Debtor.

10. Since the Corporate Debtor counsel has not come out with an argument stating that debt is not in existence or default is not in existence, we are of the considered view that this case is fit for admission.

11. Accordingly, this Company Petition is hereby **admitted** by appointing Mr. Vasudevan as Interim Resolution Professional, looking at the consent given by him with the following directions:

I. That Moratorium is hereby declared prohibiting all of the following actions, namely,

- 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 Securitization

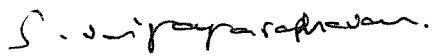
and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the 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) of Section 14 of IBC 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 **28.05.2019** till the completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of section 31 of IBC or passes an order for liquidation of corporate debtor under section 33 of IBC, 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 IBC.
- VI. That this Bench hereby appoints **Mr. Vasudevan [Registration No: IBBI/IPA-001/IP-P00155/2017-18/10324, having office at 17B/7B, Maruthi Nagar, Hasthinapuram,**

Chromepet, Chennai – 600 064, E-mail:
cavasu1967@gmail.com as Interim Resolution Professional to
carry out the functions as mentioned under IBC. Fee payable
to IRP/RP shall be in compliance with the IBBI
Regulations/Circulars/Directions issued in this regard.

12. The Registry is hereby directed to immediately communicate
this order to the Financial Creditor, the Corporate Debtor and the
Interim Resolution Professional by way of email.



(S. VIJAYARAGHAVAN)
MEMBER (Technical)



(B. S.V. PRAKASH KUMAR)
MEMBER (Judicial)

TJS/SR