

EU-INDIA NEGOTIATIONS

'Committed for free trade deal'

I'll get personally involved, says German chancellor

REUTERS New Delhi/Berlin, February 25

GERMAN CHANCELLOR OLAF Scholz said on Saturday that he and Prime Minister Narendra Modi were committed to sealing a free trade deal between India and the European Union (EU). "It's an important topic and I'll get personally involved," Scholz said after his meeting with Modi in New Delhi. The EU and India revived negotiations to forge a free trade agreement last year with the aim of completing talks by the end of 2023.



Prime Minister Narendra Modi with German Chancellor Olaf Scholz at the Hyderabad House in New Delhi

For the EU, a free trade agreement with India would fit its strategy of increasing engagement with the Indo-Pacific region, where the bloc is targeting bilateral deals to take advantage of expected higher economic growth. The deal could also act as a counterbalance to

China's growing influence in the region. Scholz met Modi a day after the first anniversary of Russia's invasion of Ukraine. His visit along with a large business delegation highlighted Delhi's growing importance to Western powers seeking backing for their opposition to Moscow's war.

'No step back from Bali agreement on Ukraine crisis'

SPAIN MINISTER OF Economy Nadia Maria Calvino Santamaria said G20 finance ministers should not "go back" on the language agreed by leaders in Bali Summit on Ukraine crisis continuing over a year. At the last G20 Summit in Bali in November 2022, the declaration read: "Most members strongly condemned the war in Ukraine." However, some member countries held "other views and different assessments of the situation and sanctions". Russia, which is part of G20, calls its invasion of Ukraine as a "special military operation". Almost a year back Russia invaded Ukraine and leaders of the world's top 20 economies, referred to as G20, are debating how it should be addressed in a joint communique that is to be issued later in the day after conclusion of first G20 finance ministers and central bank governors (FMCBG) meeting.

Speaking to media on the sidelines of the FMCBG, Calvino said, "I will share with you the position of Spain, which is very much aligned with the G7 position that we cannot go back on the language that was agreed by our leaders in Bali. And these have to feature in the communique since the war is right now. The single most important factor bringing uncertainty and fragility to the world economy."

Yellen says US inflation fight 'not a straight line' after price rise data

REUTERS Bengaluru, February 25

US TREASURY SECRETARY Janet Yellen told Reuters on Saturday that new US data showing inflation jumped unexpectedly in January signals that the fight against inflation "is not a straight line" and more work is needed.

In an interview with Reuters at a G20 finance leaders meeting in India, Yellen rejected arguments from some economists that a recession or significantly higher unemployment was needed for the Federal Reserve to win its inflation fight, sticking to her view that inflation still can be brought down while maintaining a strong labour



US treasury secretary Janet Yellen speaks during her roundtable with India's technology leaders on the sidelines of G20 finance ministers' meeting in Bengaluru

market. The strongest US consumer spending data in nearly two years showed that the Fed's preferred measure of inflation,

the personal consumption expenditures price index, jumped in January, calling into question whether the Fed

remains behind in its inflation fight. Revisions to prior data showed that previous disinflation was milder than previously reported, and that data added to financial market fears that the Federal Reserve could continue raising interest rates into summer. "I think this report showed that it's not going to be a straight line — disinflation is not a straight line," Yellen said, adding that "inflation still remains at a level that's above what's consistent with the Fed's objective." But she said that inflation has still broadly come down over the past year and that trend should continue, as housing rental contracts were still adjusting to lower levels compared to their pandemic-era peaks.

World Bank promises 'concessionality' in debt restructuring for distressed economies

REUTERS Bengaluru, February 25

THE WORLD BANK will "provide as much concessionality to the debt treatment" for distressed economies as possible, its president told a meeting with the International Monetary Fund, India, China, and other creditor nations.

The remarks come amid calls by China, the world's largest bilateral creditor, that global lenders should take haircuts on loans extended to developing nations hurt by the impact of the Russia-Ukraine war and the pandemic. The United States, has repeatedly criticised China over its "foot-dragging" on debt relief for

dozens of low-and middle-income countries.

"The World Bank is committed to providing net positive flows in a way that maximises concessionality in the restructuring process," David Malpass said at the Global Sovereign Debt Roundtable in Bengaluru on the sidelines of the G20 financial leaders' meet.

Speaking to media on the sidelines of the FMCBG, Calvino said, "I will share with you the position of Spain, which is very much aligned with the G7 position that we cannot go back on the language that was agreed by our leaders in Bali. And these have to feature in the communique since the war is right now. The single most important factor bringing uncertainty and fragility to the world economy."

IMF urges Central Banks to 'stay the course' till prices tamed

BLOOMBERG February 25

CENTRAL BANKS GLOBALLY must remain vigilant until inflation is firmly under control, according to International Monetary Fund Managing Director Kristalina Georgieva. "I want to be clear we are not yet seeing inflation going down to target fast enough," Georgieva told Bloomberg Television's Hasinda Amin on the sidelines of the Group of 20 finance chiefs' meetings in Bengaluru, India.

"Central banks need to stay the course until we are comfortable that price stability is returning."

As many central bankers begin to slow their policy tightening, inflation prints across the world remain sticky. With China reopening at a pace that's exceeded expectations, Georgieva remained hopeful that domestic consumption there remains a growth driver for the world with little risk for an additional inflation flare-up. In the US, the personal consumption expenditures price

index rose 5.4% in January from a year earlier and the core metric was up 4.7%, both marking pickups after several months of declines. In Europe, underlying inflation is forecast to stay at a record 5.3% and in many parts of Asia, including India and Australia, core inflation has remained sticky. Authorities shouldn't let their guard down as price stability is essential for investors and for consumers to keep on spending, which are the foundations for economic growth, according to IMF chief.

UN SG calls on G20 finance ministers, to reform multilateral development banks

UN CHIEF ANTONIO Guterres thinks India's G20 Presidency is "very important" and calls on the grouping's finance ministers, currently gathered in Bengaluru, to be "bold" in their efforts to reform the multilateral development banks and in finding solutions to pressing debt challenges, his spokesperson said. Stephane Dujarric, Spokesman for Guterres, said this on the expectations of the Secretary-General from the G20 meeting in India. —PTI

Economic crisis: Pak govt halts clearance of bills, salaries

PRESS TRUST OF INDIA Islamabad, February 25

THE CASH-STRAPPED PAKISTAN government has directed the accountant general to cease the clearing of bills, including salaries, owing to the current economic crisis, according to a media report on Saturday.

defence-related institutions had already been cleared for next month. Finance minister Dar while meeting on February 22 with a delegation of Rothschild had said "the government was steering the economy towards stability and growth."

He added that "the government is committed to completing the IMF programme and fulfilling all international obligations". Dar's commitment to unlocking the IMF tranche was visible on February 20 when the national assembly had unanimously approved the Finance (Supplementary) Bill 2023 or mini-budget — a move mandatory for seeking funding. The bill increases sales tax from 17 to 25% on imports ranging from cars and household appliances to chocolates and cosmetics. A general sales tax was raised from 17 to 18%.

"The prime minister will also unveil austerity measures in the next few days," the minister told the lower house of parliament as the bill was passed, adding "we will have to take difficult decisions".

The country's weekly inflation remained stubbornly elevated at 2.78% week-on-week and 41.54% year-on-year during the seven-day period that ended on February 23, official data showed on Friday.

This comes as the government of Pakistan almost doubled the gas charges from Rs 147.57 to Rs 295 to get the IMF's approval for the \$1.1 billion tranche out of the \$6.5 billion bailout package under the Extended Fund Facility. Analysts had said last week that inflationary pressures would intensify as the government took tax measures and made electricity, petroleum, and gas price adjustments to unlock the IMF programme.

Indian Bank advertisement for MUMBAI FORT BRANCH. Includes details for a sale notice for immovable properties, such as '1] M/s. Vilking Security; 2] Office premises bearing No. 1, 3rd Floor, Raymond Commercial Complex, Vasco, Goa 403802. [Admeasuring area : 102.00 sq.mtrs.]' and '3] Mrs. Hilda Fernandes.'

FORM A PUBLIC ANNOUNCEMENT (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 FOR THE ATTENTION OF THE CREDITORS OF ARAV HEALTHCARE INFRA PRIVATE LIMITED. Includes relevant particulars like Name of corporate debtor, Date of incorporation, Authority under which corporate debtor is incorporated, etc.

SARASWAT CO-OP BANK LTD (SCHEDULED BANK) MEGA E - AUCTION SALE NOTICE (UNDER SARFAESI ACT). Includes details for the sale of moveable/immovable assets, terms and conditions, and a table of auction lots with details like '1] M/s. Vilking Security; 2] Office premises bearing No. 1, 3rd Floor, Raymond Commercial Complex, Vasco, Goa 403802. [Admeasuring area : 102.00 sq.mtrs.]' and '3] Mrs. Hilda Fernandes.'

EU slaps sanctions on top Russia officials, banks, trade

THE EUROPEAN UNION agreed on Saturday to impose new sanctions on Russia over its invasion of Ukraine targeting more officials and organisations accused of supporting the war, spreading propaganda or supplying drones, as well as restricting trade on products that could be used by the armed forces.

supporting or working with the Russian military industry, and commanders in the Wagner Group. Transactions with some of Russia's largest banks are also prohibited. "Asset freezes were slapped on three more Russian banks and seven Iranian "entities" — companies, agencies, political parties or other organisations — that manufacture military drones, which the EU suspects have been used by Russia during the war. —AP



**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV**

CP (IB) No.4610/MB-IV/2019

Under Section 9 of the I&B Code, 2016

In the matter of:

Erbe Medical India Private Limited

[CIN: U33119TN2007PTC062336]

...Operational Creditor/Applicant

V/s.

Arav Healthcare Infra Private Limited

[CIN: U85110MH2008PTC188988]

...Corporate Debtor/Respondent

Order pronounced on : 24.02.2022

Coram:

Mr. Prabhat Kumar
Hon'ble Member (Technical)

Mr. Kishore Vemulapalli
Hon'ble Member (Judicial)

Appearances (via videoconferencing):

For the Petitioner : Mr. K. Vasuvenkat, Advocate
For the Respondent : Mr. Dhruva Gandhi, Advocate.

ORDER

Per: Prabhat Kumar, Member (Technical)

1. This is a Company Petition being C.P./(IB)/No.4610/NCLT/MB/C-IV/2019 filed by M/s. Erbe Medical India Private Limited, the Operational Creditor, under section 9 of Insolvency & Bankruptcy Code, 2016 (I & B Code) on 13.12.2019 seeking initiation of Corporate Insolvency Resolution



Process (CIRP) against Arav Healthcare Infra Private Limited, the Corporate Debtor, claiming a total sum of Rs.89,04,924.60/- (out of which Rs.62,08,585.34 is the Principal amount and Rs.26,93,669.26 is interest @ 18% from due date till 28.11.2019) in default. It is stated in Clause-2 of Part IV of Form-V “date of default-90 days from due date of each invoice.” The invoices were raised from 24th February, 2017 till 25th April, 2018.

2. The Applicant/ Operational Creditor supplied the goods to the Corporate Debtor under 18 invoices for a total sum of Rs.1,04,76,023.46 and issued credit notes for sum of Rs.42,67,438.12.
3. The Applicant issued Demand Notice in Form-III on 21.06.2019 along with the copy of invoices asking the Corporate Debtor to pay the amount in default. The Applicant has also filed record of Financial Information with the Information Utility showing the amount overdue, however, the certificate of default has not been enclosed thereto.
4. The Corporate Debtor has responded to this Demand Notice vide Letter dated 04.07.2019 denying its liability to pay and submitted fully consideration of account with the dues claimed as pending. The Corporate Debtor also demanded E-1 Forms and Airway bills; reconciliation of account for resolution of ongoing disputes. The Corporate Debtor has not submitted any communication supporting its contention in the reply to the demand notice.
5. The Corporate Debtor has filed detailed reply dated 31.01.2020 and has submitted that all the 18 invoices claimed to be due in the Petition have been fully paid. In this connection, it has filed invoice wise payments made by it on various dates alongwith copy of NEFT advices containing relevant invoice number. Accordingly,



the Corporate Debtor has claimed that the payments were made with specific direction as to its appropriation against the invoice.

6. The Operational Creditor has also filed Rejoinder dated 11.02.2020 pleading that it “*followed ‘first in first out’ (FIFO) method while accounting for the payments made by the Respondent which is a standard accounting practice*”. It has filed statement account of the Corporate Debtor and appropriation of the payment made by Corporate Debtor according to such practice to support its contention. It has also filed a CA certificate confirming this practice. The Applicant has also filed an email dated 24.01.2019 from the Corporate Debtor annexing thereto the reconciliation statement of the account of Operational Creditor as per Corporate Debtor. The said reconciliation statement shows that the Corporate Debtor has confirmed a sum of Rs.13,39,882.31 as payable by the Corporate Debtor to the Applicant Operational Creditor.
7. We have heard both the Counsel and perused the pleadings available on records.
8. It is noted from the email dated 24.01.2019 filed by the Applicant Operational Creditor in its Rejoinder that the Corporate Debtor has admitted existence of a debt of Rs.13,39,882.31 due to the Applicant Operational Creditor. This email contradicts the submission of the Corporate Debtor made in the reply. On perusal of the NEFT advices filed with the affidavit in reply, it is noticed that, some of the advices does not contain specific direction for the appropriation. It occurs to this Bench that the plea taken in the reply to the Demand Notice as well as Affidavit in reply is not honest, as it contradicts Corporate Debtor’s own admission vide email dated 24.01.2019. In view of this, we are of the considered view that there existed a debt in excess of the



minimum threshold limit of Rs. 1 lakh as it was at the time of filing this Application and the Corporate Debtor has committed default in payment thereof. Since, this debt is established by the very own admission of the Corporate Debtor vide email, the question of prior dispute in relation thereto does not arise.

9. In view of above facts, this Tribunal is of the considered opinion that the present Company Petition is maintainable u/s 9 of the Insolvency and Bankruptcy Code, 2016 and deserve to be **admitted.**

ORDER

- a) The Company Petition bearing CP/(IB)/4610/MB-IV/2019 filed by Erbe Medical India Private Limited, the Operational Creditor, seeking to initiate Corporate Insolvency Resolution Process (CIRP) against Arav Healthcare Infra Private Limited [CIN- U85110MH2008PTC188988], the Corporate Debtor, is **admitted.**
- b) There shall be a moratorium under section 14 of the IBC, in regard to the following:
- 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;
 - ii. Transferring, encumbering, alienating or disposing of by the Corporate Debtor 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 Securitisation and Reconstruction



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- of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002;
- iv. The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.
- c) Notwithstanding the above, during the period of moratorium-
- a. The supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period;
- b. That the provisions of sub-section (1) of section 14 of the IBC shall not apply to such transactions as may be notified by the Central Government in consultation with any sectoral regulator;
- d) The moratorium shall have effect from the date of this order till the completion of the CIRP or until this Tribunal approves the resolution plan under sub-section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Debtor under section 33 of the IBC, as the case may be.
- e) Public announcement of the CIRP shall be made immediately as specified under section 13 of the IBC read with regulation 6 of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- f) **Mr. Pramodkumar Ramesh Ladda**, Registration No. IBBI/IPA-002/IPN00694/2018-2019/12148; Email: csladdaji@gmail.com; is appointed as Interim Resolution Professional to carry the functions as mentioned under IBC, the fee payable to IRP/RP shall comply with the IBBI Regulations/Circulars/Directions issued in this regard. The IRP shall carry out functions as contemplated by Sections 15,17,18,19,20,21 of the IBC.



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- g) During the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of section 17 of the IBC. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP within a period of one week from the date of receipt of this Order, in default of which coercive steps will follow.
- h) The Operational Creditor shall deposit a sum of Rs.5,00,000/- (Rupees five lakh only) as advance with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of Creditors (CoC).
- i) The Registry is directed to communicate this Order to the Operational Creditor, the Corporate Debtor and the IRP by Speed Post and email immediately, and in any case, not later than two days from the date of this Order.
- j) A copy of this Order be sent to the Registrar of Companies, Maharashtra, Mumbai, for updating the Master Data of the Corporate Debtor. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Court **within seven days** from the date of receipt of a copy of this order.

Sd/-

Prabhat Kumar
Member (Technical)

/Dubey/

Sd/-

Kishore Vemulapalli
Member (Judicial)