

**IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH**

C.P. (IB) No.319/BB/2019
U/s 7 of IBC, 2016
R/w Rule 4 of I&B (AAA) Rules, 2016

IN THE MATTER OF:

Sir M. Visvesvaraya Co-operative Bank Ltd.
Regd. Off: No.109,
Shankarmutt Road,
Shankarpuram,
Bengaluru – 560 048.

- Petitioner/Financial Creditor

Versus

Ind-Lab Equipments Pvt. Ltd.
Regd. Off: No.561, 7th Main 'A' Sector,
Yelahanka New Town,
Bengaluru – 560 064.

- Respondent/Corporate Debtor

Date of Order: 19th February, 2020

Coram: 1. Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)
2. Hon'ble Shri Ashutosh Chandra, Member (Technical)

Parties/Counsels Present:

For the Petitioner : Mr. G. Sathyanarayana, PCA with
Mr. Ramachandra A.S., Senior Manager
of Petitioner-Bank

For the Respondent : Ms. Veena J. Kamath

ORDER

Per: Rajeswara Rao Vittanala, Member (J)

1. C.P. (IB) No.319/BB/2019 is filed by Sir M. Visvesvaraya Co-operative Bank Limited (hereinafter referred to as 'Petitioner/Financial Creditor') under Section 7 of the IBC, 2016 read with Rule 4 of the I&B (Application to Adjudicating Authority) Rules, 2016, by inter alia seeking to initiate Corporate Insolvency Resolution Process in respect of M/s. Ind-Lab Equipments Private Limited (hereinafter

referred to as 'Respondent/Corporate Debtor') on the ground that it has committed default for total amount of Rs.3,03,82,953/- (Rupees Three Crores Three Lakhs Eighty Two Thousand Nine Hundred and Fifty Three only) as on 30.06.2019 along with further interest.

2. Brief facts of the case, as mentioned in the Company Petition, which are relevant to the issue in question, are as follows:

- (1) Sir M. Visvesvaraya Co-operative Bank Limited (hereinafter referred to as 'Petitioner/Financial Creditor') is a Co-operative Bank incorporated on 15.04.1979 with Regn. No. JRB/REGN: 3:4880/78-79-25.09.1978, having its registered office situated at No.109, Shankarmutt Road, Shankarpuram, Bengaluru-560004. It has obtained banking license from Reserve Bank of India with Registration No.UBD:BG:BL:O.A.310-05.11.1978 and is carrying on operations since 1979. The Financial Creditor is one of the leading co-operative urban banks in Karnataka.
- (2) M/s. Ind-Lab Equipments Private Limited (hereinafter referred to as 'Respondent/Corporate Debtor') is a Private Limited Company incorporated on 05.11.2012 under the Companies Act, 1956 with CIN: U29248KA2012PTC066590 and having its registered office situated at No.561, 7th Main 'A' Sector, Yelahanka New Town, Bengaluru-560064. Its Nominal Share Capital is Rs.5,00,000/- (Rupees Five Lakhs only) and Paid-up Capital is Rs.1,00,000/- (Rupees One Lakh only). Its main object is to carry on business of manufacture of lab equipment's, educational equipment's and accessories.
- (3) It is stated that on 13.08.2014, the Corporate Debtor approached the Financial Creditor asking for financial assistance, for its business and applied for loan. The loans sanctioned during 25.09.2014 and 16.11.2016 are as under:



<i>Loan Account No.</i>	<i>Purpose</i>	<i>Sanctioned Amount</i>
TL-4-30	Business Purpose	2,27,00,000/-
TL-4-44	Business Purpose	48,00,000/-
Total		2,75,00,000/-

- (4) As regards the Term Loan TL-4-30, the Corporate Debtor has offered the security of existing computers, plant and machinery, electrical equipment's, furniture and fixtures and DG set machinery purchased out of Bank's finance in the form of Hypothecation; all the piece of property purchased out of Bank's finance bearing No.11F (P-II) of Doddaballapura Industrial Area, situated in Sy. No.95 of Bashettihally Village, Kasaba Hobli, Doddaballapura Taluk, Bangalore Rural District, measuring East to West 45 meters and North to South 22.50 meters, totally measuring 1012.50 sq. mtrs, which belongs to the Corporate Debtor by way of Mortgage followed by Memorandum of Deposit of Title Deeds.
- (5) As regards Term Loan TL-4-44, the Corporate Debtor has offered the security of existing computers, plant and machinery, electrical equipments, furniture and fixtures and computers, interiors, equipments purchased out of Bank's finance in the form of Hypothecation; all the piece of property purchased out of Bank's finance bearing No.11F (P-II) of Doddaballapura Industrial Area, situated in Sy.No.95 of Bashettihally Village, Kasaba Hobli, Doddaballapura Taluk, Bangalore Rural District, measuring East to West 45 meters and North to South 22.50 meters, totally measuring 1012.50 sq.mtrs, which belongs to the Corporate Debtor by Memorandum of Deposit of Title Deeds. The Directors of the Corporate Debtor Smt. Uma Devi, Dr. Vasanth Kumar, Smt.Shivamma B.V. offered their personal guarantees.



- (6) However, after disbursement of loan, the Corporate Debtor did not repay the loan instalments including interest, which had the repayment period of 174 months and 144 months respectively as under:

<i>Account No.</i>	<i>Principal Outstanding as on 30.06.2019</i>	<i>Interest Outstanding as on 30.06.2019</i>	<i>Date of Default</i>
TL-4-30	2,06,60,849	58,90,340	31.07.2018
TL-4-44	33,45,994	4,85,770	31.07.2018
Total	2,40,06,843	63,76,110	

Hence, the Corporate Debtor defaulted in repayment of loan to the Financial Creditor as per the agreed terms.

- (7) The Financial Creditor has issued notices calling for repayment of agreed instalment amounts from time to time for which the Corporate Debtor has not responded. The Corporate Debtor neither responded nor regularised the loan and interest. The Financial Creditor has also issued a notice on 20.08.2018 to the Corporate Debtor to repay the loan immediately on account of this default. The Corporate Debtor replied on 15.09.2018 to the Financial Creditor stating that it needs some more time to regularise the default, as it is recovering from the adverse effects of Demonetization and Goods and Services Tax.

In view of the above, the Financial Creditor filed the instant Petition U/s 7 of the Code for initiating CIRP, appointing IRP, imposing moratorium etc.

3. Subsequently, the Petitioner has filed a Memo dated 19.02.2020 by inter alia stating that the Bank has lent Rs.1040.96 crores as Advances as on 31.03.2019. Out of which Rs.140.96 crores is gross non-performing assets (NPA) works out of 13.54%, which affected the smooth running of business of the Bank. The Bank has 22,768



Members as part of Co-operative movement. Further, the Reserve Bank of India put the Regulatory Action and continued the same, vide their Supervisory Action Framework (SAF) dated 17.09.2019 with several terms and conditions, restrictions on business including action on top 30 default accounts for reducing NPAs as part of action plan. Accordingly, the Bank continued the thrust on regularising the default NPA accounts listed the top 30 accounts, the action taken and started reporting to RBI. The summary of action taken is given hereunder:

<i>Particulars</i>	<i>No. of Accounts</i>
Under SARFAESI Act	6
U/s 70 of Karnataka Co-operative Societies Act	19
U/s 7 of IBC, 2016	3
Referred to Counsel for filing case	1
Cheque bounce case under 138 of Negotiable Instruments Act	1
Total	30

The Corporate Debtor M/s. Indlab Equipments Private Limited is also one of the top 30 NPA accounts in the list as mentioned supra. The Bank extended full cooperation to the Corporate Debtor to the funding requirements of the business. But the Corporate Debtor defaulted and put the Bank also in trouble to invite SAF by RBI. The loan extended to the Corporate Debtor is payable in instalments on monthly basis as per the loan agreement, but the same is defaulted by the Corporate Debtor. The default is reported by the Auditors of the Company in their audit report of the Company. It is evident from the Audited Accounts that the Company is incurred losses, there is no drawing power, no capital infusion by the promoters/directors to make good the erosion of funds and hence the solvency and value of the Company is deteriorated. Since the default is happened, the Adjudicating Authority may admit the instant Petition.



Further, the settlement proposal offered vide their memo dated 11.02.2020 by the Corporate Debtor is not acceptable to the Financial Creditor. The options proposed will not serve the purpose of justification of regularising the default. Also the value of the Company is going down day by day, which may hinder the early resolution process of the Company. The Financial Creditor proposed the name of Mr. Addanki Haresh as the IRP, who also has given his consent. Also, as per the latest Notification No.IBBI/2019-20/GN/REG051 dated 20.11.2019 IBBI (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, the Directors of the Company, who are personal Guarantors to this financial debt also may be included for CIRP. Therefore, it is prayed to include Corporate Guarantors also in this CIRP.

4. The Respondent/Corporate Debtor has filed a Statement of objections dated 18.02.2020 by inter alia contending as follows:

- (1) The Respondent denies that there is a debt and default and the Petition is liable to be dismissed on preliminary grounds as well as on merits. There is no debt/default owed by/ committed by the Respondent so as to attract the provisions of the Code and the instant Application is incomplete and the Respondent is not in a situation of financial insolvency. Therefore, the Petition is liable to be dismissed.
- (2) It is contended that the Petitioner has failed to provide a complete Form 1, including failure to provide all the particulars in Part II and Part V of the Form 1. Further, the Petitioner has failed to provide particulars of amount claimed to be in default and the date on which the default occurred through workings containing the computation of amount and days of default as required in Part IV of Form 1. The Respondent has paid more than Rs.1,08,11,399/- as on 23.09.2019, which has not been accounted properly.



Therefore, The Respondent is unable to understand as to how the alleged claim of debt is made by the Petitioner – in particular how the money paid by the Respondent, what amount is charged as interest and at which rate, etc. As per law, the Petitioner is bound to provide correct particulars of the claim, to enable the Respondent to provide its objections and submissions.

(3) Further, the Petitioner has based its claim on the basis of two term loans – first term loan sanctioned for Rs.2,27,00,000/-, on 25.09.2014 (released in phase and released till 21.06.2016) and released Rs.2,27,00,000/- & second term loan sanctioned for Rs.48,00,000/- on 16.11.2016 (released in phase and released till 25.01.2017) and released Rs.33,46,000/-. The Respondent has paid more than Rs.1,08,11,399/- as on 23.09.2019. From these payments, it is clear that Rs.58,08,574/- has been paid post the sanction of the second loan on 16.11.2016. Without prejudice to the above, even assuming that the second term loan was fully disbursed in part and parcel until 25.01.2017, then too in so far as the aforementioned term sheet is concerned, the Respondent has duly discharged its dues. There is no debt or default in respect of the 2nd term loan dated 16.11.2016. The Petitioner cannot club Petitions pertaining to two different loan agreements.

(4) It is stated that the Respondent is going through various hurdles because of which there is a delay in payment from their customers these includes Demonetization, introduction of Goods and Service Tax law. However, the Respondent Company is continued to be solvent and that it has around 10 full time employees at its office, several others, who work outside the premises of the Respondent on contractual basis and it has also won several accolades for the work done by the Respondent. The Respondent is a registered dealer under the



Goods and Service Tax Acts. Accordingly, the representatives of the Petitioner though engaged in various talks with the Respondent, yet sat over the offer made by the Respondent for several months. Therefore, they are under the bonafide impression that the Petitioner would cooperate and resolve the issue in question amicably between the parties. However, they have suddenly filed the instant Company Petition.

- (5) The Respondent proposed settlement of total claim in question for a full and final settlement of all claims by the Petitioner vide email dated 07.02.2020. The Petitioner has not responded to the said offer as on today, despite there being an email dated 07.02.2020 that the Petitioner would revert to the said proposal. Such an act of not showing any interest in amicably resolving the dispute and aiding the Respondent in continuing with the business as a going concern, sufficiently establishes that the Petitioner has initiated the above proceedings fraudulently and with a malicious intent for a purpose other than insolvency resolution. The said proceedings are initiated by the Petitioner to avoid payment of court fee which the Petitioner would have out to pay in case of initiating civil proceedings. Further, the aim of the IBC is to promote companies as a going concern and not to use provisions of Code to coercive proceedings to recover alleged debts, as observed by the Hon'ble Supreme Court in the case of Swiss Ribbons v. Union of India in WP (Civil) No.99 of 2018 vide judgment dated 25.09.2019. It is a case of misuse of provisions of Code fit to be taken U/s 65 of the Code by imposing maximum penalty.

5. Heard Mr. G. Sathyanarayana, learned PCA for the Petitioner along with Mr. Ramachandra A.S., Senior Manager of the Petitioner-Bank, and Ms.Veena J. Kamath, learned Counsel for the Respondent. We



- have carefully perused the pleadings of both the Parties and extant provisions of the Code and the Law on the issue.
6. Mr. G. Sathyanarayana, learned PCA for the Petitioner, under instructions from Mr. Ramachandra A.S., Senior Manager of the Petitioner-Bank, while reiterating the averments made above, has further submitted that the Petitioner made all efforts and extended full co-operation to the Respondent in order to resolve the claim in question. The allegations made by the Respondent are not at tenable. Mr. Ramachandra A.S., Senior Manager of the Petitioner-Bank, who is present on several occasions has also submitted that they have extended full co-operation to the Respondent to see any solution to the issue in question. The Bank run on public money cannot extend co-operation beyond a point. He has further submitted that the Debt in question is established beyond doubt and not controverted by the Respondent except raising frivolous contentions allegations and the instant Petition is filed in accordance with law, and a qualified Insolvency Professional namely Mr. Addanki Haresh, who also has filed his written consent in Form 2 dated 10.08.2019.
7. Ms. Veena J. Kamath, learned Counsel for the Respondent, while strongly opposing the instant Company Petition has again reiterated the averments made in the statement of objections, as briefly stated supra, has further submitted that though the loan in question is not in dispute and not accepting the proposal of settlement, not furnishing full details payments of loan in question etc., are arbitrary and against the object of Code. They have filed an Application U/s 65 of the Code to initiate the instant proceeding against the Bank for misusing the provisions of Code. It is the responsibility of the Petitioner to resolve the issue and they have not extended full cooperation to them to resolve the issue. Therefore, it



is not only to be dismissed and they also liable to impose penalty, as per Section 65 of the Code.

8. For an application filed U/s 7 of the Code, the parameters/requisite conditions to be considered by the Adjudicating Authority is whether the default is committed for the debt or not, and whether the Application is filed in accordance with law by suggesting suitable IRP or not. It is relevant to refer the judgement of Hon'ble Supreme Court in *"Innoventive Industries Ltd. Vs. ICICI Bank and Anr. – (2018) 1 SCC 407"* is extracted below:

"27. The scheme of the Code is to ensure that when a default takes place, in the sense that a debt becomes due and is not paid, the insolvency resolution process begins. Default is defined in Section 3(12) in very wide terms as meaning non-payment of a debt once it becomes due and payable, which includes non-payment of even part thereof or an instalment amount. For the meaning of "debt", we have to go to Section 3(11), which in turn tells us that a debt means a liability of obligation in respect of a "claim" and for the meaning of "claim", we have to go back to Section 3(6) which defines "claim" to mean a right to payment even if it is disputed. The Code gets triggered the moment default is of rupees one lakh or more (Section 4). The corporate insolvency resolution process may be triggered by the corporate debtor itself or a financial creditor or operational creditor. A distinction is made by the Code between debts owed to financial creditors and operational creditors. A financial creditor has been defined under Section 5(7) as a person to whom a financial debt is owed and a financial debt is defined in Section 5(8) to mean a debt which is disbursed against consideration for the time value of money. As opposed to this, an operational creditor means a person to whom an operational debt is owed and an operational debt under Section 5(21) means a claim in respect of provision of goods or services.

28. When it comes to a financial creditor triggering the process, Section 7 becomes relevant. Under the Explanation to Section 7(1),



a default is in respect of a financial debt owed to any financial creditor of the corporate debtor — it need not be a debt owed to the applicant financial creditor. Under Section 7(2), an application is to be made under sub-section (1) in such form and manner as is prescribed, which takes us to the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Under Rule 4, the application is made by a financial creditor in Form 1 accompanied by documents and records required therein. Form 1 is a detailed form in 5 parts, which requires particulars of the applicant in Part I, particulars of the corporate debtor in Part II, particulars of the proposed interim resolution professional in Part III, particulars of the financial debt in Part IV and documents, records and evidence of default in Part V. Under Rule 4(3), the applicant is to dispatch a copy of the application filed with the adjudicating authority by registered post or speed post to the registered office of the corporate debtor. The speed, within which the adjudicating authority is to ascertain the existence of a default from the records of the information utility or on the basis of evidence furnished by the financial creditor, is important. This it must do within 14 days of the receipt of the application. It is at the stage of Section 7(5), where the adjudicating authority is to be satisfied that a default has occurred, that the corporate debtor is entitled to point out that a default has not occurred in the sense that the “debt”, which may also include a disputed claim, is not due. A debt may not be due if it is not payable in law or in fact. The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority. Under sub-section (7), the adjudicating authority shall then communicate the order passed to the financial creditor and corporate debtor within 7 days of admission or rejection of such application, as the case may be.”



9. In the light of the above ratio as laid down by the Hon'ble Supreme Court and as per the provisions of the Code, It is necessary to examine whether the Debt in question is established; the Application is filed in accordance with Law or not; a qualified Resolution Professional is suggested as IRP etc. As stated supra, the Petitioner has addressed a letter dated 25.09.2014 to Respondent by informing that the Central Loan Committee in its meeting held on 25.09.2014, has sanctioned a Term Loan of Rs.227.00 lakhs (Rupees Two Hundred Twenty Seven Lakhs only) for the purpose of purchase of KIADB Industrial land at Doddaballapur and construction of industrial building, purchase of machinery & DG set subject to Security towards Primary Security and Collateral Security, Personal Guarantee of all the three Directors of the Company. Accordingly, the parties have entered into Term Loan Agreement dated 01.10.2014 wherein various terms and conditions were mentioned including payment of interest @ 15.50% per annum. Subsequently, the Memorandum of Deposit of Title Deeds to secure Credit facilities; Guarantee Bond dated 01.10.2014 was executed by M/s. Indlab Equipments Private Limited, and three other Guarantee Bonds dated 01.10.2014 are executed by Smt. S. Uma Devi W/o Dr. Vasantha Kumar, Smt. B.V. Shivamma W/o Late S.V. Siddappa, Dr. Vasantha Kumar S/o Keshava Rao respectively, and the Term Loan Agreement dated 23.11.2016 in question was also executed between the parties.
10. Therefore, there is no dispute with regard to sanction of loans in question by the Bank. Moreover, it is not the case of Respondent that the Loans in question were not sanctioned and has committed its defaults. Payment of some part of instalments of loan, not accepting its proposal of settlement by the Bank etc. are not tenable grounds in a Petition filed U/s 7 of Code. And requesting the Bank for settlement of claim in question itself show that the Debt in



question is established and default of Account of Respondent is not in dispute.

11. In view of pleas raised by the Respondent claims that it is a solvent Company and trying to resolve the issue in question, the Adjudicating Authority, therefore, has extended several opportunities to the Respondent, and also suggested to the Petitioner-Bank to extend requisite cooperation to resolve the issue. Therefore, though the instant Company Petition is filed on 11.09.2019, the case was adjourned on several viz., 29.10.2019, 21.11.2019, 26.11.2019, 09.12.2019, 20.12.2019, 20.01.2020, 27.01.2020. The Respondent, though officially accepting notice on 24.10.2019, has not filed any reply till 18.02.2020. It is prerogative of the Bank whether to accept settlement of the issue or not. However, the Respondent, without availing opportunity granted by the Adjudicating Authority, is raising mere technical grounds in their reply and also threatening the Bank with proceedings U/s 65 of Code. By perusing the financial statements, as annexed to the Boards report placed on record in the Memo filed by the Appellant dated 19.02.2020, it is seen that in the Balance Sheet under the head Current Liabilities its Liabilities from Short term borrowings have increased from Rs.3,59,52,305/- as at 31.03.2018 to Rs.3,79,28,638/- as at 31.03.2019 and its other Current Liabilities have also increased from Rs.54,67,389/- as at 31.03.2018 to Rs.1,36,38,012/- as at 31.03.2019. Further, the Profit and Loss Account Statement also shows that as against the Profit of Rs.3,82,956/- declared for the year ended 31.03.2018, the Respondent has earned a loss of Rs.(89,97,077)/- for the year ended 31.03.2019. It is thus seen that the Respondent has been showing inactive results as far as its business financials are concerned. Therefore, the contention of the Respondent that it is solvent Company is not born out of record.



12. The Petitioner has filed a Memo dated 19.02.2020 by enclosing a copy of the RBI letter vide Ref:DCBS(BG)No.458/13.03.142/2019-20 dated 17.09.2019 addressed to the Chief Executive Officer, Sir M. Visvesvaraya Co-operative Bank Limited in respect of Supervisory Action Framework (SAF) for Urban Co-operative Banks – Continuation of Regulatory Action, which reads as under:

“Please refer to the correspondent resting with our letter DCBS (BG) No.419/12.07.142/2019-20 dated September 12, 2019 in terms of which a copy of the report on the inspection of your bank conducted with reference to its financial position as on March 31, 2019 has been forwarded for compliance at your end.

2. As the Gross NPA (GNPA) of your bank on March 31, 2019 has been assessed at 13.93%, it has been decided to re-issue a fresh set of restrictive/prohibitory actions replacing the earlier one imposed on your bank vide our letter DCBS (BG) No.1847/09.01.142/2016-17 dated January 22, 2018. The new set of supervisory action re-imposed on your bank is furnished in Annex.

3. You are advised to ensure strict compliance with the instructions, furnish action plans/review notes/etc., as per the time lines indicated in the Annex and also ensure submission of quarterly financial statements in the Proforma of inspection statements 1, 2, 4 & 10 within one month from the closure of the quarter to which it relates.

4. It may be noted that any non-compliance with SAF instructions or delay in submission of the information/data indicated in paragraph 3 above would be viewed seriously.”

13. They have also stated that the Bank continued the thrust on regularising the default NPA accounts listed the top 30 accounts, the action taken and started reporting to RBI. The summary of action taken is as follows:

Particulars	No. of Accounts
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Under SARFAESI Act	6
U/s 70 of Karnataka Co-operative Societies Act	19
U/s 7 of IBC, 2016	3
Referred to Counsel for filing case	1
Cheque bounce case under 138 of Negotiable Instruments Act	1
Total	30

14. At the suggestion of the Adjudicating Authority, the Bank has sincerely considered the possibility of settling the issue, including final settlement proposal offered by the Respondent dated 11.02.2020, and found it was not acceptable to the Petitioner as it would not serve the purpose of justification of regularising the default as the value of the Company is going down day by day which may hinder the early resolution process of the Company. The above facts and circumstances of the case clearly establishes that the debt and default in question are established beyond doubt. The instant Petition/Application is filed in accordance with law, and a qualified Insolvency Professional namely Mr. Addanki Haresh bearing Regn. No.IBBI/IPA-001/IP-P-01064/2017-18/11757 is suggested as the IRP, who also has filed his written consent in Form 2 dated 10.08.2019 by inter alia affirming that he is eligible to be appointed as an Interim Resolution Professional in respect of the Corporate Debtor, and certified that there are no disciplinary proceedings pending against him with the Board or ICAI Insolvency Professionals Agency along with Affidavit dated 10.08.2019 in this regard. Thus, it is a fit case to initiate CIRP by appointing IRP and imposing moratorium, etc.
15. For the aforesaid facts and circumstances of the case, and following the settled position of law on the issue, by exercising powers conferred on this Adjudicating Authority, under Section 7(5)(a) and other extant provisions of the Code, Company Petition bearing C.P.



(IB) No. 319/BB/2019 is hereby admitted with the following consequential directions:

- (1) We hereby appointed **Mr. Addanki Haresh** having **Regn. No. IBBI/IPA-001/IP-P-01064/2017-18/11757** as the Interim Resolution Professional (IRP) to conduct the Corporate Insolvency Resolution Process (CIRP) in respect of Corporate Debtor namely **M/s. Ind-Lab Equipments Private Limited** and to carry out the functions as mentioned under the I&B Code, 2016 and the Rules framed by the IBBI from time to time.
- (2) The following moratorium is declared prohibiting all of the following, 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 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 corporate debtor.
 - e. The supply of essential goods or services to the corporate debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.



- f. The provisions of sub-section (1) shall not apply to such transaction as may be notified by the Central Government in consultation with any financial regulator; a surety in a contract of guarantee to a corporate debtor.
- g. The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process.

(3) Fees for the IRP is fixed at Rs.1,00,000/- per month.

(4) The Board of Directors and all the staff of the Corporate Debtor are hereby directed to extend full co-operation to the IRP, in carrying out his functions as such, under the Code and Rules made by the IBBI.

(5) The IRP is directed to file his progress reports to the Adjudicating Authority from time to time about the steps taken in pursuant to the CIRP. The IRP is further directed to take expeditious steps so as to complete the process of CIRP within the stipulated time.

(6) Post the case for report of the IRP on **23rd March, 2020**.

**ASHUTOSH CHANDRA
MEMBER, TECHNICAL**

**RAJESWARA RAO VITTANALA
MEMBER, JUDICIAL**