

NATIONAL COMPANY LAW TRIBUNAL

CUTTACK BENCH

CP (IB) No. 53/CB/2024

An Application filed under Section 10 of the Insolvency and Bankruptcy Code, 2016 read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

In the matter of:

SATYA IRON & STEELS PRIVATE LIMITED

Through its Authorized Signatory cum Representative

Mr. Gautam Kumar Singh

252, Parthiv Pacific, Tatibandh

Raipur, Chhattisgarh- 492001

..... Corporate Applicant

AND

IA (IB) No. 3/CB/2025

An Application Under Section 60(5) Of the Insolvency and Bankruptcy Code, 2016 R/W Rule 11 Of NCLT Rules, 2016

In the matter of:

SATYA IRON & STEELS PRIVATE LIMITED

Through its Authorized Signatory cum Representative

Mr. Gautam Kumar Singh

252, Parthiv Pacific, Tatibandh

Raipur, Chhattisgarh- 492001

.....Corporate Applicant

AND

IA (IB) No. 21/CB/2025

An Application Under Section 60(5) Of the Insolvency and Bankruptcy Code, 2016 R/W Section 65 of IBC, 2016

In the matter of:

BANK OF BARODA,

(Represented through Chief Manager & Authorised Officer Bhilai Branch)

Having its office at Indira Palace

Civic Centre Bhilai, District Durg

Chattisgarh- 490006

... Secured Financial Creditor/Applicant

Vs

SATYA IRON & STEELS PRIVATE LIMITED

Through its Authorized Signatory cum Representative

Mr. Gautam Kumar Singh

252, Parthiv Pacific, Tatibandh

Raipur, Chhattisgarh- 492001 **Respondent/Corporate Applicant**

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CORAM: **DEEP CHANDRA JOSHI, Member (Judicial)**
 BANWARI LAL MEENA, Member (Technical)

Appearance:

For Corporate Applicant: **Mr. Shimarjit Singh, Advocate**
 Mr. Rohit Gandhi, Advocate
 Mr. Vaibhav Kharbanda, Advocate
 Mr. Raushal Kumar, Advocate

For Bank of Baroda: **Mr. K.M.H Niamati, Advocate**
 Mrs. Deepika Shukla

Date of Pronouncement: **02/05/2024**

ORDER

1. CP (IB) No. 53/CB/2024 (hereinafter '**Main Application**') has been filed by Satya Iron & Steels Private Limited (hereinafter '**Corporate Applicant/CA**') under section 10 of the Insolvency and bankruptcy Code (hereinafter '**IBC/Code**') read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter '**Adjudicating Authority Rules**') seeking initiation of CIRP of itself for committing default in repayment of debt to its creditors.

2. The Corporate Applicant was incorporated on 29.08.2006 as a private company under the provisions of Companies Act, 1956 and is involved in the business of manufacturing of Lancing Pipes and Rolling Mill. The applicant is an MSME Unit and has a share capital of Rs.10,000,000/- divided into 100000 equity shares of Rs 100/- each fully paid up and its paid-up capital is Rs 9,928,600 divided into 99286 equity shares. The registered office of the corporate applicant is situated at 252, Parthic Pacific, Tatibandh, Raipur, Chhattisgarh-492001 and the plant is situated at 5-L, heavy Industrial Area, Hathkhoj, Bhilai, Chhattisgarh.

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SUBMISSIONS OF THE CORPORATE APPLICANT IN CP(IB) No. 53/CB/2024:

3. The submissions made by the Corporate Applicant is summarised hereunder:

a. The Corporate applicant's manufacturing unit is situated in the city of Bhiali, Chhattisgarh which is a hub of iron and steel manufacturing units. The CA was having a healthy business and in pursuit of growth and expansion availed credit facilities with high interest cost but since the CA was making substantial profits earned, it was able to repay the debts and also the high interest rates upto FY 2021-2022.

b. The Corporate applicant started facing difficulty in running its operations due to shortage of raw materials and in order to continue its business operations, it had to buy raw materials at inflated prices leading to shrinkage of profit. The gradual reduction of profit coupled with high burden of interest of the credit facilities crippled the business of the CA and the CA was forced to shut down its business in March 2024.

c. In the FY 2023-24 exhausted its working capital to meet the capital requirements and the inventories were also sold at a loss. Subsequently the CA committed default vide its letter dated 22.03.2024 intimated its sole secured financial creditor i.e. Bank of Baroda (hereinafter "Secured **Financial Creditor**") regarding its inability to pay its dues. The FC subsequently in light of repeated defaults classified the loan account of the CA as Non-Performing Asset on 19.06.2024 issued demand notice dated 19.06.2024 u/s 13(2) of SARFAESI Act, 2002.

d. The Corporate applicant as on 01.08.2024 defaulted in payment of Rs.27,12,04,496.93/- to its Financial Creditor and Rs 37,56,43,198/- to all its Operational Creditors. The plant and

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machinery of the CA are in working conditions and the business of the CA can be revived with the infusion of fresh funds but in light of the defaults committed there is no anticipation of fresh influx of funds and as a matter of last resort seeks to initiate CIRP in order to revive the business.

e. The Corporate Applicant *vide* two separate special resolutions dated 05.07.2024 has approved to take steps to initiate CIRP of the Corporate Applicant and has authorized one Gautam Kumar Singh to file necessary applications in regard to the same.

SUBMISSIONS OF CORPORATE APPLICANT IN IA (IB) 3/CB/2025:

4. The submissions of the corporate applicant in IA (IB) 3/CB/2025 is as follows:

a. The Financial Creditor i.e., Bank of Baroda on 21.11.2024 entered appearance in the main Petition and sought time to file their objections/reply to the Application filed by the Applicant under Section 10. But subsequently in a piecemeal manner the FC has already begin to proceed against the applicant by issuing possession letter dated 28.08.2024 for taking possession of the applicant's assets and properties in furtherance to demand Notice dated 19.06.2024 published in the newspaper - Dainik Bhaskar in the Bhilai edition dated 28.06.2024, demanding an outstanding amount of Rs 28,07,00,000 /-. The financial creditor also proceeded to publish the Possession Notice dated 03.09.2024 in the newspaper - Dainik Bhaskar in the Bhilai edition dated 03.09.2024.

b. Financial Creditor despite entering appearance before this Hon'ble Tribunal in the current matter, is further attempting to frustrate and circumspect the current proceedings by initiating

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another proceedings under Section 14, SARFAESI Act, 2002 before the court of Chief Judicial Magistrate at District-Durg, Chhattisgarh wherein Chief Judicial Magistrate has passed an ex-parte order against the Applicant dated 02.12.2024 directing the Naib Tehsildar to take appropriate steps to secure physical possession of secured assets of the Applicant in favour of the financial creditor. The ex parte order was served upon the applicant on 13.12.2024. In furtherance of the aforesaid order the FC has started taking coercive steps and actions against the Applicant and is also trying to take physical possession of the following assets of the applicant.

c. Financial Creditors are seeking leverage of the intervening time before the adjudication of Section 10 application and making an attempt to recover its dues via attachment and auctioning of the properties of the applicant which will not only shut down the applicant's business completely but shall also give huge haircuts for its shareholders including secured and unsecured creditors while making payments to all its other secured and unsecured creditors.

d. The Applicant relied on the judgement of Hon'ble NCLAT in ***NUI Pulp and Paper Industries Pvt. Ltd. Vs. M/ s. Roxel Trading GMBH (Company Appeal (AT) (Insolvency) No. 664 of 2019)*** to show that this Tribunal has adequate power to provide an ex-parte ad interim relief.

5. During the pendency of IA(IB) 3/CB/2025, Bank of Baroda filed another application i.e. IA(IB) 21/CB/2025 with a plea to reject the section 10 application and impose penalty u/s 65 of IBC as the same has been filed by the Corporate Applicant with fraudulent and with malicious intent.

SUBMISSIONS MADE BY BANK OF BARODA IN IA(IB) 3/CB/2025 AND IA(IB)**21/CB/2025:**

6. The Submissions made by the Bank in its application in IA(IB) 21/CB/2025 and reply in IA(IB) 3/CB/2025 are identical in nature and is summarised hereunder:

a. The Bank classified the loan account of the Corporate Applicant as a non-performing asset on 18.06.2024 and initiated proceedings under section 13(2) of the SARFAESI Act, 2002 by issuing notice on 19.06.2024 sum aggregating to Rs. 2634.69 lakhs (Rupees Twenty-Six Crore Thirty-Four Lakhs and Sixty-Nine Thousand) along with interest up to the date of payment within sixty days from the receipt of the notice for the default committed by the CD in payment of interest payment of interest on outstanding loans for the quarter ending in March, 2024 and June, 2024 and for default in payment of installments term loan/demand loans which had fallen due for payment on 25.03.2024.

b. It was expressly mentioned in the said notice that on failure of the CD to make the aforementioned payments, the Bank shall be at liberty to exercise all or any of its rights under Section 13(4) of the SARFAESI Act, 2002. Subsequently possession notice dated 28.08.2024 under Section 13(4) of the SARFAESI Act, 2002 was also issued and the symbolic possession was taken and subsequently on 23.12.2024 the actual physical possession of two properties at Bhilai was taken over after getting the order u/s 14 of the SARFAESI Act, 2002.

c. The Bank has also initiated proceedings before the Debt Recovery Tribunal, Jabalpur vide O.A No. 1360/24 for recovery of Rs 255874778/- and the same is pending adjudication.

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d. The CD chose to initiate a Section 10 proceedings before this Tribunal but no response was received from the CD with respect to the aforementioned demand notice dated 19.06.2024 rather the CD submitted OTS proposals to the Bank with meagre amount after filing an insolvency application u/s 10 before this Tribunal

e. The Corporate Applicant sent Proposal for settlement of NPA account 05090500000150 dated was received by the Bank on 06.09.2024 and its reply was sent on 10.09.2024. The CA through a letter dated 09.10.2024 offered an OTS for Rs.4.00 Crore (Rupees Four Crore Only) against the total due of Rs. 26.35 Crores (approx.) along with interest up to the date of payment. The same was received by Bank on 23.10.2024 and vide letter dated 24.10.2024 to the CD on rejected the same.

f. The CD via letter dated 11.11.2024 again offered to settle the account under OTS Scheme for Rs.6.00 Crore against the total due of Rs. 26.35 Crores (approx.) along with interest up to the date of payment.

g. Hence the Company, by way of the said application, intended to take undue advantage of the moratorium period and further stall the recovery proceedings.

h. The Corporate Applicant has made the OTS proposal of Rs. 4 Crores after it has already filed the application under Section 10 of IBC before this Tribunal and furthermore the letter dated 09.10.2024 issued by the did not have any mention that an application u/s 10 IBC has been filed before this Hon'ble Tribunal by the Corporate Applicant.

i. The Respondent in its letter dated 09.10.2024 has assured the Applicant that their company has been actively engaging in

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efforts to stabilize its financial position and is in the process of entering into various Memorandums of Understanding ("MoU") with key business establishments which are expected to enhance cash flow into the business. Such representations made by the CD in the letter dated 09.10.2024 are in stark contrast to the averments made by the CA in its application particularly in paragraph 13 of the synopsis to the application

j. CA in the main application, has concealed that a criminal complaint bearing no. 447/2024 has been lodged Telibandha Police Station in the district of Raipur by one of the Operational Creditors, against the Managing Director of the Company- Rajesh Sharma and the Director of the Company- Anju Sharma alleging offences committed under Sections 420, 409 and 120B of the Indian Penal Code for the non-payment of Rs. 10,17,00,797/- to the Complainant's company in exchange of finished goods supplied by the Complainant's company Sarvamangala Infra build Pvt. Ltd. which has also been named as one of the Operational Creditors of the CD. The Directors of the CD filed applications under Section 482 of BNSS before the Court of the Learned Seventh Sessions Judge, Raipur (Chhattisgarh) seeking anticipatory bail M/s

k. The Bank relied on the judgments of Hon'ble NCLAT in ***M/s Agroha Paper Industries Private Limited v. Bank of Maharashtra [Company Appeal (AT) (Insolvency) No.1342 of 2023]*** and ***Wave Megacity Centre (P) v. Rakesh Taneja 2023 SCC OnLine NCLAT 50***

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SUBMISSIONS MADE BY THE CORPORATE APPLICANT IN REPLY TO IA (IB)

21/CB/2025 AND REJOINDER IN IA (IB) 3/CB/2025:

7. The CA in its reply to IA 21 and Rejoinder in IA 3 made the following submissions in addition to the submissions already made in his main application and IA 3:

a. Corporate Applicant had suffered huge business losses over the period and the management of the corporate Applicant was eventually constrained to shut down the manufacturing operations in the month of March 2024. Therefore, the corporate Applicant in order to revive the company while protecting and balancing the interest of the stakeholders is approaching the adjudicating authority.

b. The Adjudicating Authority in its catena of judgments has reaffirmed the prevalence of IBC over the SARFAESI Act and has reiterated that Insolvency & Bankruptcy Code, 2016 is a complete Code in itself, for providing resolution to all the creditors.

c. The Bank was well versed with the pendency of the Application under section 10 of IBC in which applicant bank has participated and sought time to file reply but the applicant bank in order to frustrate the steps of resolution, is continuing to take coercive actions under the SARFAESI Act and, has illegally and wrongfully proceeded to take the symbolic possession of the property and somehow frustrate the present proceedings.

d. No notice was received by the corporate applicant for the hearing before the CJM, Bilaspur and the order dated 02.12.2025 has been obtained by the bank *ex-parte* behind the back of the corporate applicant

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e. OTS of a meagre amount was not given to delay the matter rather despite having suffered huge business loss, in order to show its bonafide to settle its NPA account has submitted the OTS proposal. However, unfortunately and contrary to banking norms the applicant bank refused to even consider the same and corporate Applicant had approached this tribunal only when the corporate respondent suffered unprecedented economic scenario, due to non-operation of business and consequent cash flow deficit, the respondent suffered huge losses in the FY 2023-24 and its net worth was completely eroded. However, the bank is trying to frustrate and circumspect the present proceeding by initiating proceedings before the Debt Recovery Tribunal, Jabalpur vide O.A No. 1360/24 for recovery of Rs 255874778/- and the same is pending adjudication.

f. There is no contradiction between the submission made in the main application and the representation made to the bank, the bank by making selective reference is wrongfully misreading and misconstruing the contents of the letter of corporate applicant dated 09.10.2024 proposing one time settlement (OTS) and its bonafide acts and is seeking wrongfully prejudice this Hon'ble Tribunal has rejected the proposal of the corporate Applicant while taking leverage of unprecedented economic scenario of the Applicant by initiating multiple proceeding against the respondent in order to circumspect and frustrate the Section 10 application of the respondent for their personal gains which will not only shut down respondent's business completely but shall also give huge haircuts to other creditors

g. The bank has wrongfully made reference to the said criminal proceedings, despite being well aware of the fact that the same are completely frivolous and have no bearing on the present proceedings. The applicant bank has further wrongfully

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and falsely stated that the anticipatory bail has not been granted and application for the anticipatory bail was dismissed by the Ld. Session Judge, the Hon'ble High Court of Chhattisgarh, Bilaspur was pleased allow the anticipatory bail application of both the Directors vide order dated 04.09.2024

h. The Corporate Applicant relied on the judgments of **Getz Cables Pvt. Ltd. Vs. State Bank of India & Anr. [Company Appeal (AT) (Insolvency) No. 1953 of 2024]**, **Unigreen Global Pvt. Ltd. VS. Punjab National Bank & Ors. [CA (AT) (INS. 81/2017)]** and **Amar Vora Vs City Union Bank Ltd. (2022) SCC OnLine NCLAT 276** in support of its submissions

FINDINGS AND ANALYSIS:

8. We have heard the counsels of both sides and also perused the materials on record. It is undisputed that the Bank declared the loan account of the corporate applicant as NPA on 18.06.2024 and had served notice u/s 13(2) of SARFAESI Act, 2002 on 19.06.2024. Subsequently on 28.08.2024 possession notice was issued u/s 13(4) of SARFAESI Act, 2002.

9. It is an established principle of law formed through catena of judgements that an application u/s 10 of IBC shall be admitted if there exists debt, default and the application is complete and the applicant is not ineligible under section 11 of IBC. It is noted that the applicant has given details of 8 (Eight) Financial Creditors and 62 (Sixty-Two) Operational Creditors in Part III of the application in Form -6. The total outstanding due has been stated to be Rs. 64,68,47,694/- (Sixty-Four Crores Sixty-Eight Lakhs Forty-Seven Thousand Six Hundred and Ninety-Four Rupees). The applicant has given information regarding dates of default and information regarding the outstanding dues to its creditors and has also attached documents annexing the same. The applicant has also provided information regarding the securities created

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on its asset in Point 5 of Part III of Form-6. It is noted that upon perusal of the application it is clear that there exist outstanding dues and default has been committed by the corporate applicant. The application is also found to be complete with all necessary information and documents. The application is also within the period of limitation as the oldest default was committed on 23.12.2022 and this main application has been filed on 11.09.2024.

10. But before we decide on the outcome of the main application, it is necessary to adjudicate upon the two Interlocutory applications captioned IA (IB) 3/CB/2025 (“**IA 3**”) and IA (IB) 21/CB/2025 (“**IA 21**”) filed by the CA and the Secured Financial Creditor of the corporate applicant i.e. Bank of Baroda respectively during the pendency of the main application. Both these IAs are inter se same parties and the pleadings are overlapping in nature and hence taken up together.

11. IA (IB) 3/CB/2025 has been e-filed on 24.12.2024 by the applicant in under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 r/w Rule 11 of NCLT Rules, 2016 seeking ex-parte ad-interim stay on the operation and effect of the recovery process, restraining creditor banks and various other Financial Creditors from attaching the property or use any other assets of the Corporate Applicant for the recovery of their dues.

12. The two points that need to be adjudicated before we enter into the merits of the main application are as follows:

- Whether submission of OTS proposals after filing of the section 10 application will attract the provision of section 65 of IBC,2016?
- Whether the conflicting submissions made by the CA in its main application filed on 11.09.2024 and OTS proposal dated

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09.10.2024 made to the bank makes the main application hit by section 65 of IBC, 2016?

13. Section 65 of IBC, 2016 empowers this court to impose penalty on an applicant who initiates any application before this court with fraudulent or malicious intention, which is as follows:

Section 65: Fraudulent or malicious initiation of proceedings. (1) *If, any person initiates the insolvency resolution process or liquidation proceedings fraudulently or with malicious intent for any purpose other than for the resolution of insolvency, or liquidation, as the case may be, the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees, but may extend to one crore rupees.*

(2) *If, any person initiates voluntary liquidation proceedings with the intent to defraud any person, the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees but may extend to one crore rupees.*

(3) *If any person initiates the pre-packaged insolvency resolution process—*

(a) fraudulently or with malicious intent for any purpose other than for the resolution of insolvency; or

(b) with the intent to defraud any person,

the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees, but may extend to one crore rupees.]

14. The essential ingredients which are required to be proved under Section 65, sub-section (1) is that proceedings are initiated fraudulently with malicious intent for any purpose other than for the resolution of insolvency. Hon'ble NCLAT in **Getz Cables Pvt. Ltd. Vs. State Bank of India & Anr. [Company Appeal (AT) (Insolvency) No. 1953 of 2024]** relied on para 32,33 and 34 its earlier judgment in **SMBC**

Aviation vs Resolution Professional, Go Airlines [Company Appeal (AT) (Insolvency) No. 593 of 2023] to explain the meaning of fraud in the context of Section 65 of the Code. As per **SMBC (Supra)** the two elements to constitute fraud are deceit and injury and loss to some person.

15. In **West Bengal State Electricity Board vs Dilip Kumar Ray, Civil Appeal 5188 of 2006**, the Hon'ble Apex Court explained the term 'malicious'. The relevant portion is reproduced hereinbelow:

*"Malice means in law wrongful intention. It includes any intent which the law deems wrongful, and which therefore serves as a ground of liability. Any act done with such an intent is, in the language of the law, malicious and this legal usage has etymology in its favour. The Latin militia means badness, physical or moral - wickedness in disposition or in conduct - not specifically or exclusively ill-will or malevolence; hence the malice of English law, including all forms of evil purpose, design, intent, or motive. But intent is of two kinds, being either immediate or ulterior, the ulterior intent being commonly distinguished as the motive. The term malice is applied in law to both these forms of intent, and the result is a somewhat puzzling ambiguity which requires careful notice. **When we say that an act is done maliciously, we mean one of the two distinct things. We mean either that it is done intentionally, or that it is done with some wrongful motive.**"*

(Emphasis Supplied)

16. In **Getz Cables Pvt. Ltd. (Supra)** the Hon'ble NCLAT has categorically held the following in **Para 30** of the judgement:

30. The facts which come out in M/s Agroha Paper Industries Pvt. Ltd. contained sufficient material to come to the conclusion that CD was trying to embroil the Bank in multiple layers of litigation and the application under Section 10 was filed with the unclear

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hands, this fact was taken note by the Adjudicating Authority, which orders were confirmed by this Tribunal. In the present case, only basis for filing Section 65 application is that the Bank has initiated proceedings under Section 13, sub-section (2) of the SARFAESI Act, prior to filing of Section 10 application. We have noticed the judgment of this Tribunal taking the view that initiation of proceedings under Section 13, sub-section (2) of the SARFAESI Act, is not a ground to reject Section 10 Application. Section 10 application can be founded on debt and default, which can be proved from relevant facts in a Company Appeal (AT) (Insolvency) No. 1953 of 2024 28 particular case. Proceedings initiated against Corporate Debtor under Section 13, sub-section (2) or application under Section 19 of the Debt Recovery Tribunal Act, 1993 can also be incidents to prove debt and default. The present is a case where Adjudicating Authority has allowed Section 65 application filed by the SBI principally based on the foundation of the SBI that Section 10 application filed at the time when proceedings under Section 13, sub-section (2) were on the verge of completion. Whether Section 10 application deserve to be admitted or not, is a decision, which has to be taken by the Adjudicating Authority on facts of each case.

17. Upon perusal of the judgments above, it is an established principle of law that the pendency of proceedings under SARFAESI per se won't vitiate an application under section 10.

Further it cannot be held that the submission of OTS proposal to the bank after filing of section 10 application is sufficient to infer that the section 10 application was filed with fraudulent and malicious intent. The Corporate applicant has admitted the fact that he has committed default and is not in a position to repay the dues and his endeavors, both before this tribunal and before the bank is to resolve his insolvency.

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18. In regard to the submission made by the bank that contradictory submissions are made by the Corporate Applicant in its main application filed on 11.09.2024 and the OTS proposal dated 09.10.2024, which was issued subsequent to filing of the section 10, it is noted that the Bank has responded to the OTS proposal dated 09.10.2024 *vide* its communication dated 24.10.2024. It is a notable fact that the notice of the section 10 application was successfully served upon the Bank through post and email on 15.10.2024 and 16.10.2024 and the bank has entered appearance in the main application after receipt of the said notices. Hence the bank cannot say that it was not aware about the section 10 application while scrutinizing the OTS proposal dated 09.10.2024.

19. In regard to the submission made by the Bank regarding concealment of the pending criminal proceedings against the directors of the corporate applicant, it is observed that IBC requires the applicant to file a complete application under section 10 in order to get it admitted, upon perusal of Form-6 it is noted that none of the columns of the said form requires the applicant to disclose pending criminal investigations and hence it cannot be said that the corporate applicant has failed to adhere to a duty or has submitted an incomplete application under section 10. Any fact unrelated or beyond the requirement under IBC or Forms prescribed under the Adjudicating Authority Rules are not required to be stated or pleaded. Unless the fact not disclosed by the applicant is not of such nature which will make an applicant ineligible under section 11, such non-disclosure is not fatal to section 10 application.

20. In view of the foregoing observations, it cannot be held that the main application filed by the Corporate Applicant has been filed fraudulently or with malicious intent as the ingredients required under section 65 is not existent. Furthermore, since it is established beyond doubt that default has been committed and the present application is

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complete as required under section 10 and other accompanying rules and regulations and the corporate applicant is not ineligible under section 11. We, therefore, consider it a fit case for admitting the petition, and for initiation of Corporate Insolvency Resolution Process in respect of the Corporate Applicant i.e. Satya Iron and Steel Private Limited

21. In view of the aforesaid observations, we hereby admit the petition and pass the following Orders: -

a. The Petition bearing CP (IB) No. 53/CB/20224 under Section 10 of the Code read with rule 7 of the Insolvency & Bankruptcy (Petition to Adjudicating Authority) Rules, 2016 for initiating CIRP of **Satya Iron and Steel Private Limited** [CIN: U24241CT2006PTC020057] is **ADMITTED**

b. The moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 is declared for prohibiting all of the following in terms of section 14(1) of the Code -

- *The institution of suits or continuation of pending suits or proceedings against the corporate Applicant including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;*
- *Transferring, encumbering, alienating or disposing of by the corporate Applicant any of its assets or any legal right or beneficial interest therein;*
- *Any action to foreclose, recover or enforce any security interest created by the corporate Applicant in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;*
- *The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate Applicant.*

c. It is further directed that:

- *The supply of essential goods or services to the Corporate Applicant as may be specified shall not be terminated or suspended or interrupted during the moratorium period.*
- *The provisions of sub section (1) of section 14 of the code shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.*

d. As proposed by the applicant Mr. Ashutosh Khemani having Registration No. **IBBI/IPA-002/IP-N01177/2021-2022/13902** and Email Id: ashutosh.khemani@gmail.com office at 1-C, 3rd Floor, Shyam Plaza, Pandri, Raipur , Chhattisgarh-492001 is hereby appointed as Interim Resolution Professional (IRP) of the Corporate Applicant to carry out the functions as per the Code, subject to his possessing a valid Authorisation for Assignment (AFA) in terms of 7A of the Insolvency and Bankruptcy Board of India (Insolvency Professional) Regulations, 2016.

e. The IRP shall take statutorily prescribed steps inter alia as envisaged under section 15,17,18,19,20 and 21 of the Code. Further the IRP is directed to submit his report at the earliest to this Tribunal. It is further made clear that all personnel connected with Corporate Applicant, its Promoter or any other person associated with management of the Corporate Applicant are under legal obligation under section 19 of the Code extending every assistance and co-operation to the Interim Resolution Professional. Where any personnel of the Corporate Applicant, its Promoter or any other person required to assist or co-operate with IRP, do not assist or co-operate, the IRP is at liberty to make

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appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

f. The Corporate Applicant shall deposit a sum of **Rs.1,00,000/-** to the bank account of the IRP within 10 days from pronouncement of this order.

g. The order of moratorium shall have effect from the date of this order till the completion of CIRP as per sub section (4) of Section 14 of the Code.

h. **IA(IB) 3/CB/2025** filed by the corporate applicant seeking ex parte ad interim relief is **DISPOSED as infructuous** in light of the moratorium-imposed u/s 14 of the Code.

i. **IA(IB) 21/CB/2025** filed by Bank of Baroda seeking dismissal of the Main Application and imposition of fine u/s 65 of the code is **DISMISSED**.

j. **CP (IB) No.53/CB/2024** stands **ALLOWED** and **DISPOSED OF**.



BANWARI LAL MEENA

Member (Technical)



DEEP CHANDRA JOSHI

Member (Judicial)