

Company Petition (IB) No. 37/KB/2024

IN THE MATTER OF:

CANARA BANK LIMITED & ORS.

... Financial Creditors/ Petitioners.

Versus

GUPTA POWER INFRASTRUCTURE LIMITED

... Corporate Debtor/ Respondent.

CORAM:

SMT. BIDISHA BANERJEE, HON'BLE MEMBER (JUDICIAL) CMDE. SIDDHARTH MISHRA, HON'BLE MEMBER (TECHNICAL)

CORRIGENDUM

- 1. This Order has been pronounced on 26.09.2025.
- 2. It is noted that at the 5th and 6th lines of paragraph 2.1, page 2 of the Order, the total amount claimed to be in default is wrongly noted as Rs. 28,88,11,82.079/-, **which shall correctly read as Rs. 28,88,11,82,079**/- (Rupees Two Thousand Eight Hundred Eighty-Eight Crore Eleven Lakh Eighty-Two Thousand and Seventy-Nine Only).
- 3. Further, at the bottom of the table provided in paragraph 2.1, page 2 of the Order, the total amount is wrongly recorded as Rs. 28,88,11,82.079/-, **which shall correctly read as Rs. 28,88,11,82,079/-** (Rupees Two Thousand Eight Hundred Eighty-Eight Crore Eleven Lakh Eighty-Two Thousand and Seventy-Nine Only).
 - 4. The rest of the order shall remain unchanged.
- 5. This Corrigendum be read along with the Order dated 26.09.2025 in the Company Petition (IB) No. 37/KB/2024.

Cmde. Siddharth Mishra Member (Technical) Bidisha Banerjee Member (Judicial)

Date: September 26, 2025.



Company Petition (IB) No. 37/KB/2024 And I.A. (IB) No. 739/KB/2024

A Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016, and Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

And Rule 11 of the National Company Law Tribunal Rules, 2016.

IN THE MATTER OF:

CANARA BANK LIMITED & ORS.

... Financial Creditors/ Petitioners.

Versus

GUPTA POWER INFRASTRUCTURE LIMITED

... Corporate Debtor/ Respondent.

Date of Pronouncement: September 26, 2025.

CORAM:

SMT. BIDISHA BANERJEE, HON'BLE MEMBER (JUDICIAL)
CMDE SIDDHARTH MISHRA, HON'BLE MEMBER (TECHNICAL)

APPEARANCE:

For the Financial Creditor: Mr. Ratnanko Banerji, Sr. Adv.

Mr. Supriyo Mahapatra, Adv.

Mr. Kaushik Dey, Adv. Ms. K. Rahman, Adv. Mr. N. Pandey, Adv.

For the Corporate Debtor: Mr. Joy Saha, Sr. Adv.

Mr. Shaunak Mitra, Adv. Mr. Rishav Banerjee, Adv. Mr. Supriyo Banerjee, Adv. Mr. Tanay Agarwal, Adv.



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ORDER

Per Bidisha Banerjee, Member (Judicial):

Company Petition (IB) No. 37/KB/2024

1. Heard the Learned Senior Counsels/ Learned Counsels for both parties.

2. Factual Matrix:

2.1 The application was jointly filed by a consortium of banks under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC), seeking initiation of the Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor, M/s. Gupta Power Infrastructure Ltd. The total claimed to be in default is Rs. 28,88,11,82.079/- inclusive of interest as on 20.12.2023. The individual outstanding amounts of each of the financial creditors are in a tabular form below:

Bank	Amount (INR)
Canara Bank	Rs. 11,21,81,02,375/-
Bank of India	Rs. 2,30,72,64,814/-
Union Bank of India	Rs. 2,37,79,57,148/-
UCO Bank	Rs. 1,82,86,44,680/-
PNB	Rs. 3,46,80,74,509/-
Bank of Maharashtra	Rs. 2,08,36,29,331/-
Bank of India	Rs. 5,59,75,09,221/-
Total	Rs. 28,88,11,82.079/-



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- 2.2 Initially, under a Working Capital Consortium Agreement dated 11 October 2006, the Corporate Debtor was sanctioned credit facilities worth Rs. 255 Crore in the form of fundbased and non-fund-based limits. Over time, these limits were revised and enhanced, with additional banks joining the consortium.
- 2.3 By 26 August 2022, the revised agreement reflected a sanctioned working capital limit of Rs. 3,590 Crore. Further, in 2020, five consortium banks, including Canara Bank, Indian Bank, Bank of India, UCO Bank, and Punjab National Bank, extended an additional loan of Rs. 78.56 Crore to support the company during the COVID-19 pandemic.
- 2.4 To secure these obligations, the Corporate Debtor executed a Joint Deed of Hypothecation (26 August 2022) over its current assets, plant, machinery, equipment, movable fixed assets, book debts, and immovable properties.
- 2.5 Despite these facilities, the Corporate Debtor defaulted in servicing its obligations. The first default was reported in January 2023 with Canara Bank in its Overdraft Cash Credit account, amounting to Rs. 378.07 Crore. Although the account was temporarily regularised by 24 April 2023, the debtor once again defaulted on 28 April 2023, with an overdue of Rs. 12.66 Crore to Punjab National Bank. Subsequent defaults followed across the consortium banks.
- 2.6 In line with RBI's Prudential Norms dated 7 June 2019, all loan accounts of the Corporate Debtor were classified as Non-Performing Assets (NPAs) in August–September 2023.



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- 2.7 In an attempt to address the situation, the consortium signed an Inter-Creditor Agreement (ICA) on 15 September 2023 and initially accepted the Corporate Debtor's proposal for rectification through clearance of overdue amounts. However, during a meeting on 25 September 2023, the debtor failed to provide the necessary details to support its resolution plan and admitted its defaults. The consortium thus concluded that the rectification process had failed.
- 2.8 Consequently, the Financial Creditors issued a Loan Recall Notice and also served a notice under Section 13(2) of the SARFAESI Act, 2002, demanding repayment of the outstanding amounts. Despite repeated reminders and assurances from the Corporate Debtor's directors and promoters, the dues remained unpaid.
- 2.9 In view of the continuous defaults, failed restructuring efforts, and classification of loan accounts as NPAs, the consortium of lenders filed the present application before the NCLT, Kolkata Bench, under Section 7 of the IBC, 2016, seeking initiation of the CIRP against M/s. Gupta Power Infrastructure Ltd.

3. Submissions Advanced by the Petitioners:

3.1. Mr. Ratnanko Banerji, Learned Senior Counsel appearing on behalf of the Petitioners would submit that the Financial Creditors, namely Canara Bank, Indian Bank, UCO Bank, Bank of India, Punjab National Bank, Union Bank of India, Bank of Maharashtra, HDFC Bank, IDBI Bank, and Export-Import Bank of India, had collectively extended financial assistance to the Corporate



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Debtor under a Working Capital Consortium Agreement dated 11 August 2006, which was later revised on 26 August 2022. Under this arrangement, the consortium granted working capital facilities amounting to Rs. 3,590 Crore, comprising both fund-based and nonfund-based limits. Canara Bank was appointed as the Lead Bank and Lenders' Agent under these agreements.

- 3.2. Mr. Banerji would further submit that in addition to the above facilities, Canara Bank further extended an additional Rs. 20 Crore to the Corporate Debtor on 25 November 2022, by executing a Deed of Accession and Deed of Adherence. Moreover, on the request of the Corporate Debtor, Karnataka Bank Ltd. joined the consortium and sanctioned an additional Rs. 52.60 Crore as working capital facility, of which Rs. 6 Crore was fund-based and the balance non-fund-based. With this inclusion, the exposure of DBS Bank India Ltd. was reduced to Rs. 14 Crore.
- 3.3. It is contended that the Corporate Debtor failed to service its obligations under the fund-based and non-fund-based credit facilities. The first default occurred in January 2023, when Canara Bank's Overdraft CC account of the Corporate Debtor recorded a default of Rs. 378.07 Crore. Though the account was temporarily reported as "out of default" in April 2023, the Corporate Debtor again defaulted on 28 April 2023 in respect of ₹12.66 crore due to Punjab National Bank. Subsequently, defaults were reported with all consortium banks.
- 3.4. It is further contended that, in light of continuous defaults and in accordance with the RBI's Prudential Accounting Norms (7 June 2019), the consortium banks classified all the



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Corporate Debtor's loan accounts as Non-Performing Assets (NPAs) during August–September 2023. The Financial Creditors also placed reliance on NESL Certificates (Form-C and Form-D), CRILC reports, and NPA Certificates to substantiate the occurrence and quantum of defaults.

- 3.5. Mr. Banerji would submit that the Corporate Debtor itself has acknowledged its debt obligations. The Applicants highlighted minutes of consortium meetings held on 20 July 2023, 05 September 2023, 15 September 2023, 25 September 2023, 09 October 2023, and 01 November 2023, which were signed by the representatives of the Corporate Debtor and clearly recorded admissions of default.
- 3.6. It is further submitted that, on 15 September 2023, the consortium members executed an Inter-Creditor Agreement (ICA) to consider the Corporate Debtor's proposal for rectification by clearing overdue amounts. However, despite repeated opportunities, the Corporate Debtor failed to furnish the required documents and details to implement its proposed resolution plan. Instead, during the consortium meetings, the Corporate Debtor candidly admitted its defaults. Consequently, the consortium concluded that the rectification plan had failed.
- 3.7. That due to the Corporate Debtor's deliberate and intentional failure to repay despite repeated promises and assurances, the Applicants were compelled to issue Loan Recall Notices and also invoked Section 13(2) of the SARFAESI Act, 2002. As the outstanding dues of ₹2,888.11 crore remain unpaid, the Applicants have filed the present joint application under Section 7



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of the IBC, 2016, before the NCLT, Kolkata Bench, seeking initiation of CIRP against the Corporate Debtor.

4. Submissions Advanced by the Respondents:

- 4.1. It is submitted that the deponent, Pravin Kumar Agarwal, is the duly authorised representative of the Corporate Debtor, empowered by the Board to file this affidavit-in-opposition to C.P. (IB) No. 37/KB/2024 and I.A. (IBC)/739/KB/2024.
- 4.2. It is contended that the Section 7 application is defective and not maintainable as it lacks specific authorisation from all consortium lenders, and the Power of Attorney relied upon is invalid for non-compliance with stamping and legal requirements. Hence, the petition is liable to be dismissed at the threshold.
- 4.3. It is claimed that the application is misconceived, mala fide, and an abuse of process. No legally enforceable default exists; the alleged claims are barred by limitation and, to the extent they arise from the COVID-19 period, are hit by Section 10A of the IBC. The filing is in the nature of a recovery action, contrary to the objective of resolution under the Code.
- 4.4. It is submitted that the Applicants have suppressed material facts and misled this Tribunal by withholding consortium minutes and communications that show their own role in creating financial stress through onerous conditions, delays, and unilateral curbs.



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- 4.5. It is contended that reciprocal obligations under the agreements and RBI circulars governed the consortium financing. The Applicants themselves failed to perform prior obligations such as timely appraisal, renewal, and disbursal, while reducing exposures unilaterally, restricting LC/BG interchangeability, and imposing exorbitant charges, thereby choking the Corporate Debtor's cash flows.
- 4.6. It is further submitted that no debt can be said to be due and payable when the lenders' own breaches and delays made performance by the Corporate Debtor impossible. The classification of the account as NPA on 30.09.2023 is arbitrary and contrary to RBI Prudential Norms, as the CC account was not "out of order" for 90 continuous days; bank statements show sufficient balances within sanctioned limits in August 2023.
- 4.7. It is claimed that despite a stable CRISIL A (Stable) rating, the lenders escalated charges, withheld sanctioned facilities, blocked internet banking, and refused legitimate requests for ad-hoc and enhanced limits, which directly caused financial distress. The consortium itself had acknowledged the company's satisfactory performance and approved enhancements (₹390 crore in 2022), yet the lead bank deferred and restricted implementation, frustrating other members' approvals.
- 4.8. It is contended that the Inter-Creditor Agreement (ICA) of September 2023 contemplated rectification by clearing overdue, but the Applicants frustrated the process and resorted to Section 7, contrary to their duties. The minutes relied upon cannot be treated as admissions in isolation from the context of lenders' own failures.



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A joint financing arrangement cannot be fragmented by a subset of lenders filing independently, which undermines the statutory consortium framework.

- 4.9. Accordingly, it is submitted that the Section 7 application is liable to be dismissed for want of proper authority, absence of default, bar of limitation and Section 10A, suppression of material facts, and illegal NPA classification. In the alternative, the petition deserves outright rejection on the merits. It is further prayed that exemplary costs be imposed on the Applicants for abuse of process, and that the parties be directed, if so advised, to pursue consensual restructuring under the ICA rather than coercive insolvency proceedings.
- 5. We have carefully considered the pleadings, documents on record, and submissions made by the learned counsels for both parties.

6. Analysis and Findings:

6.1. On Maintainability:

6.1.1. It is alleged that the instant Section 7 petition is defective as there is no specific authorisation of all the financial creditors authorising the deponent, Canara Bank, to prefer the Section 7 petition. Mr. Joy Saha, Learned Senior Counsel for the Corporate debtor, argued that a specific authorisation is required to initiate CIRP under the provisions of the I&B Code, which is conspicuously absent in the case at hand. In the absence of the specific authorisation, this petition deserves dismissal.



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6.1.2. During the course of arguments, Mr. Banerji learned Senior Counsel for the financial creditors would take us through the Power of Attorney executed on 26.08.2022, annexed at pages 658-665 to the petition, by the Gupta Powers Infrastructure Limited, the Corporate debtor herein, in favour of Canara Bank (Lead Bank) and the other banks of the consortium wherein the borrower Gupta Power irrevocably and unconditionally nominates, constitute and appoints the lead bank to be its a lawful attorney to do, execute and perform or cause to be executed or performed all in the name of borrowers. Further we would note that all the banks of the consortium by way of "Letter of Authority to Lead Bank" issued on 26.08.2022 authorised the Canara Bank as their true and lawful attorney to do, execute and perform all the acts, deeds and things and enabled the lead bank to take all the actions and decisions within the overall framework contained in the loan documents to represent the lenders of the consortium. The Letter of Authority to the lead bank, dated 26.08.2022, is annexed at pages 672-674.

6.1.3. In Rajendra Narottamdas Sheth and Ors. Chandra Prakash Jain and Ors. reported in MANU/SC/0744/2021: (2022) 5 SCC 600 the Hon'ble Apex Court has observed that authorisation by the banks by a way of a power of attorney with respect to all the business and affairs of the bank including the institution of legal proceedings before any Court or Tribunal concerning any demand and filling of all necessary applications does not impair the authority to file Section 7 petition. The Hon'ble Apex Court, while deliberating upon a power of authority granted by the bank, noted the following:



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"11. The NCLAT in its judgment in **Palogix** Infrastructure (supra) held that <u>a 'power of attorney holder'</u> is not competent to file an application Under Section 7 on behalf of the financial creditor. However, the NCLAT made certain further observations, as reproduced below:

41. In so far as the present case is concerned, the 'Financial Creditor'-Bank has pleaded that by Board's Resolutions dated 30th May, 2002 and 30th October, 2009, the Bank authorised its officers to do needful in the legal proceedings by and against the Bank. If general authorisation is made by any 'Financial Creditor' or 'Operational Creditor' 'Corporate or Applicant' in favour of its officers to do needful in legal proceedings by and against 'Financial Creditor'/'Operational

Creditor'/'Corporate Applicant' in favour of its officer, mere use of word 'Power of Attorney' while delegating such power will not take away the authority of such officer and for all purposes it is to be treated as an 'authorization' by the 'Financial Creditor'/'Operational

Creditor'/'Corporate Applicant' in favour of its officer, which can be delegated even by designation. In such case, officer delegated with power can claim to be the 'Authorized Representative' for the purpose of filing any application Under Section 7 or Section 9 or Section 10 of 'I & B Code'.

The NCLAT was of the opinion that <u>general</u> <u>authorisation given to an officer of the financial</u>



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creditor by means of a power of attorney, would not disentitle such officer to act as the authorised representative of the financial creditor while filing an application Under Section 7 of the Code, merely because the authorisation was granted through a power of attorney. Moreover, the NCLAT in Palogix Infrastructure (supra) has held that if the officer was authorised to sanction loans and had done so, the application filed Under Section 7 of the Code cannot be rejected on the ground that no separate specific authorisation letter has been issued by the financial creditor in favour of such officer. In such cases, the corporate debtor cannot take the plea that while the officer has power to sanction the loan, such officer has no power to recover the loan amount or to initiate corporate insolvency resolution process, in spite of default in repayment. We approve the view taken by the NCLAT in Palogix Infrastructure (supra).

12. In the present case, Mr. Praveen Kumar Gupta has been given general authorisation by the Bank with respect to all the business and affairs of the Bank, including commencement of legal proceedings before any court or tribunal with respect to any demand and filing of all necessary applications in this regard. Such authorisation, having been granted by way of a power of attorney pursuant to a resolution passed by the Bank's board of directors on 06.12.2008, does not impair Mr. Gupta's authority to file an application Under Section 7 of the Code. It is therefore clear that the application has been filed by an authorised person on behalf of the Financial Creditor and the objection of the Appellants on the maintainability of the application on this ground is untenable."



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(Emphasis Added)

- 6.1.4. Thus, in *Rajendra Narottamdas Sheth* (Supra), the Hon'ble Apex Court affirmed the view taken by the NCLAT in *Palogix Infrastructure* (Supra) and held that general authorization granted by way of a Power of Attorney pursuant to a board resolution by the Banks Board does not affect the petitioner's authority to file a petition under the I&B Code and the same is a valid authorization.
- 6.1.5. Notably, in the present case, Ms. Nikhat, the manager of the Canara Bank large corporate branch, Bhuvneshwar, is the authorised signatory of the lead bank, Canara Bank, authorised by a specific power of authority dated 06.02.2024 to institute any legal proceedings before any Tribunal or Court. In view of such, we are of the considered opinion that the same cannot be termed to be untenable and the petition is squarely maintainable with regard to authorisation.

6.2. On Section 10A bar and Limitation:

6.2.1. During the course of the argument, it is alleged that the claim is barred by limitation and is also hit by the provision of Section 10A of the I& B Code. In this context, we have noticed that the debtor's account was declared NPA from August to September 2023 by all the banks of the consortium herein, and subsequently, the financial creditors recalled all the credit facilities by way of letters from August to November 2023. The instant petition. As per Section 10A, no Section 7, Section 9, and Section 10 petition shall be filed for any default arising from 25.03.2020- 25.03.2021. Thus,



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the recalling of credit facilities was done by the banks long after the Section 10A period was over. Further, the instant petition has been preferred on 08.02.2024 within the prescribed limitation in terms of Article 137 of the Limitation Act.

6.3. On Debt and Default

- 6.3.1. We have already noted that the amount claimed to be in default is Rs. 2888 crore, the credit facilities were sanctioned by the Banking entities during September 2021- October 2022, and the account of the corporate debtor was declared NPA on and from August September 2023. The Banks issued notice under Section 13(2) of SARFAESI in November 2023. Hence, the amount claimed to be in default is far in excess of the threshold limit as prescribed under Section 4 of the I&B Code.
- 6.3.2. Thus, we hold that the petition is complete in all respects and well within the limitation.
- 6.4. During the course of arguments, the Learned Senior Counsel Mr. Joy Saha has agitated several issues in the company petition and made multifarious allegations against the financial creditors, especially against the Lead Bank herein and to that effect, a batch of interlocutory applications have been preferred by the corporate debtor. We have already dealt with all the issues in the respective orders in those interlocutory applications being I.A. (IB) No. 2128/KB/2024, I.A. (IB) No. 1213/KB/2025, I.A. (IB) No. 729/KB/2025, I.A. (IB) No. 1977/KB/2024, I.A. (IB) No. 1212/KB/2024, which we need not repeat here.



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- 6.5. Finally, we note that the Hon'ble Apex Court has defined "Financial Debt" to initiate the Corporate Insolvency Resolution process as under:
- a. In Pioneer Urban Land and Infrastructure Ltd. v. Union of India reported in (2019) 8 SCC 416, it was held that:

"any debt to be treated as financial debt, there must happen disbursal of money to the borrower for utilization by the borrower and that the disbursal must be against consideration for time value of money."

(Emphasis added)

b. In Anuj Jain, Interim Resolution Professional for Jaypee Infratech Ltd. v. Axis Bank Limited reported in (2020) 8 SCC 401, it was held that:

"the essential condition of financial debt is disbursement against the consideration for time value of money."

(Emphasis added)

- c. In Indus Biotech Private Limited v. Kotak India

 Venture (Offshore) Fund reported in (2021) 6 SCC 436:

 MANU/SC/0231/2021 (para 14) it was held that:
 - "14. ... in order to trigger an application, there should be in existence four factors: (i) there should be a 'debt' (ii) 'default' should have occurred (iii) debt should be due to 'financial creditor' and (iv) such default which has occurred should be by a 'corporate debtor..."

(Emphasis added)



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d. In *Innoventive Industries Ltd.* v. *ICICI Bank* reported in (2018) 1 SCC 407: MANU/SC/1063/2017, it was held that:

"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. ...'

"28. ... 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, ..."

XXX XXX XXX XXX

"30. On the other hand, as we have seen, in the case of a corporate debtor who commits default of a financial debt, adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is "due" i.e., payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that adjudicating authority may reject an application and not otherwise."



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(Emphasis added)

7. Conclusions and Directions:

- 7.1. Thus, in terms of the above discussions, we are of the view that the present petition is complete in all respects and is not barred by limitation. Further, the amount claimed to be in default is far in excess of the threshold limit as prescribed under Section 4 of the I&B Code.
- 7.2. In terms of the foregoing discussions, we **ALLOW** the application bearing <u>Company Petition (IB) No. 37/KB/2024</u> filed under <u>Section 7 of the I&B Code</u>, and accordingly, we order the initiation of <u>Corporate Insolvency Resolution Process</u> (CIR <u>Process</u>) in respect of the Corporate Debtor by the following <u>Orders</u>:
 - i. The Application filed by CANARA BANK LIMITED & ORS. (Financial Creditors), under Section 7 of the Insolvency & Bankruptcy Code, 2016, is hereby ADMITTED for initiating the Corporate Insolvency Resolution Process in respect of GUPTA POWER INFRASTRUCTURE LIMITED (Corporate Debtor).
 - ii. As a consequence of this Application being admitted in terms of Section 7 of the I&B Code, moratorium as envisaged under the provisions of Section 14(1) of the Code, shall follow in relation to the Respondent/(CD) as per clauses (a) to (d) of Section 14(1) of the Code. However, during the pendency of the moratorium period, the terms of Section 14(2) to 14(3) of the Code shall come into force.



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- iii. Moratorium under Section 14 of the Insolvency & Bankruptcy Code, 2016, prohibits the following, as:
 - 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 asset 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 (54 of 2002);
 - **d)** The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.

[Explanation.--For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a license, permit, registration, quota, concession, clearances or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license, permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period;]

iv. The supply of essential goods or services to the corporate debtor as may be specified shall not be terminated or suspended or interrupted during the moratorium period.



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- **v.** The provisions of sub-section (1) of the Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- The Applicant has proposed the name of "Mr. Pradeep vi. **Kumar Kabra**", Address: C/905, Ofira Building, VIP Road, Bharthana, Vessu, Surat, Gujarat - 395007, Registration no. IBBI/IPA-001/IP-P01104/2017-18/11790, Email ID. ippradeepkabra@gmail.com, as the "IRP". We have perused that there is a written communication and consent of IRP in Form 2 with Affidavit, annexed as Annexure "E" at pages 21-28 to the petition, as per the requirement of Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. There is a declaration made by him that there are no disciplinary proceedings pending against him with the Board or IIIP of ICAI. In addition, further necessary disclosures have been made by "Mr. Pradeep Kumar Kabra" as per the requirement of the IBBI Regulations. Accordingly, he satisfies the requirement of Section 7(3)(b) of the code. Hence, we appoint "Mr. Pradeep Kumar Kabra" as the Interim Resolution Professional (IRP) of the Corporate Debtor to carry out the functions as per the I&B Code subject to submission of a valid Authorisation of Assignment in terms of regulation 7A of the Insolvency and Bankruptcy Board of India (Insolvency Professional) Regulations, 2016. The fee payable to IRP or the RP, as the case may be, shall be compliant with such Regulations, Circulars and Directions as may be issued by



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the Insolvency & Bankruptcy Board of India (IBBI). The IRP shall carry out his functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the I&B Code.

- vii. In pursuance of Section 13 (2) of the Code, we direct the IRP or the RP, as the case shall cause a public announcement immediately with regard to the admission of this application under Section 7 of the Code and call for the submission of claims under Section 15 of the Code. The public announcement referred to in Clause (b) of sub-section (1) of Section 15 of the Insolvency & Bankruptcy Code, 2016, shall be made immediately. The expression immediately means within three days, as clarified by the Explanation to Regulation 6 (1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- viii. During the CIR Process period, the management of affairs of the Corporate Debtor shall vest in the IRP or the RP, as the case may be, in terms of Section 17 of the I&B Code. 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 one week from the date of receipt of this Order, in default of which coercive steps will follow. There shall be no future opportunities in this regard.
 - ix. The Interim Resolution Professional is also free to take police assistance to take full charge of the Corporate Debtor, its assets and its documents without any delay, and this Court hereby directs the concerned **Police Authorities**



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and/or the **Officer-in-Charge** of Local Police Station(s) to render all assistance as may be required by the Interim Resolution Professional in this regard.

- **x.** The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIR Process in respect of the Corporate Debtor.
- **xi.** The Financial Creditors shall be liable to pay to IRP a sum of **Rs. 5,00,000/-** (Rupees Five Lakh Only) as payment of his fees as advance, as per Regulation 33(3) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, which amount shall be adjusted at the time of final payment. The expenses relating to the CIRP are subject to the approval of the Committee of Creditors (CoC).
- **xii.** In terms of sections 7(5) and 7(7) of the Code, the **Registry of this Adjudicating Authority** is hereby directed to communicate this Order to the Financial Creditor, the Corporate Debtor and the Interim Resolution Professional by Speed Post and through email immediately, and in any case, not later than two days from the date of this Order.
- xiii. Additionally, the Registry of this Adjudicating Authority shall serve a copy of this Order upon the Insolvency and Bankruptcy Board of India (IBBI) for their record and also upon the Registrar of Companies (RoC), to whom the company is registered with, by all available means for updating the Master Data of the Corporate Debtor. The said



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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.

- **xiv.** The Resolution Professional shall conduct CIRP in a time-bound manner as per Regulation 40A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulation, 2016.
- **xv.** The IRP/RP shall be liable to submit the periodical report, including the minutes of the CoC of the Corporate Debtor, with regard to the progress of the CIR Process in respect of the Corporate Debtor, to this Adjudicating Authority from time to time.
- **xvi.** The order of moratorium shall cease to have effect as per Section 14(4) of the I&B Code.
- 8. Certified copies of this order, if applied for with the Registry of this Adjudicating Authority, be supplied to the parties upon compliance with all requisite formalities.
- 9. Post the Company Petition on **10/11/2025** for filing the Periodical Progress Report by the IRP/RP as appointed herein.

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10. This application has been preferred by the Canara Bank & Ors., financial creditors herein, praying for a leave to be granted to the petitioners to file the supplementary affidavit along with all annexures to bring the documents therein on record.



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11. Prayers **allowed** and **disposed of** accordingly.

Cmde. Siddharth Mishra Member (Technical) Bidisha Banerjee Member (Judicial)

This Order is signed on the 26th Day of September 2025.

V. Tiwari [LRA]/ Bose, R. K. [LRA]