



NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH
COURT NO. 1

ITEM No.202
CP(IB)/58(MP)2025

Order under Section 7 IBC

IN THE MATTER OF:

Shashwat Enterprises Through its sole proprietor
Pushpendra Jain
V/s
Labhansi Agritech Private Limited

.....**Applicant**
.....**Respondent**

Coram:

Mr. Brajendra Mani Tripathi, Hon'ble Member(J)
Mr. Man Mohan Gupta, Hon'ble Member(T)

ORDER

Delivered on 08/01/2026

The case is fixed for pronouncement of the order. The order is pronounced in open Court *vide* separate sheet.

Sd/-

**MAN MOHAN GUPTA
MEMBER (TECHNICAL)**

Neeraj

Sd/-

**BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)**



THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT INDORE

CP(IB) No.58 of 2025

[Under Section 7 of the Insolvency and Bankruptcy Code,2016 read with Rule 4 of the Insolvency and Bankruptcy (application to Adjudicating Authority) Rules, 2016]

In the matter of

Shashwat Enterprises

Through its sole proprietor pushpendra jain
Having registered address 68, Agar Road,
Chimanganj Mandi, Ujjain,
Madhya Pradesh-456006

Email: enterprise.shashwat111@gmail.com

**... Applicant/
(Financial Creditor)**

Versus

Labhanshi Agritech Private Limited

CIN: U15100MP2021PTC057591
Add: 410-Apollo Tower 2,
M.G.Road, Indore,
Madhya Pradesh-452001
Email: labhanshiagritech@gmail.com

**... Respondent/
(Corporate Debtor)**



C O R A M:

HON'BLE SH. BRAJENDRA MANI TRIPATHI, MEMBER (J)

HON'BLE SH. MAN MOHAN GUPTA, MEMBER (T)

Order Pronounced on 08.01.2026

Appearance:

For the Applicant : Mr. Jatin Sehgal, Adv

For the Respondent : Mr. Rohit Dubey, Adv

ORDER

1. This Company Petition has been filed by M/S SHASHWAT ENTERPRISES (“Financial Creditor”), seeking to initiate Corporate Insolvency Resolution Process (CIRP) against LABHANSHI AGRITECH PRIVATE LIMITED (“Corporate Debtor”) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for having committed a default in payment of its financial debts amounting Rs. 2,78,07,500/- (Rupees Two crore Seventy Eight Lakh Seven Thousand Five Hundred only) as on 31.03.2025. (being the due date as per the Loan Agreement dated 04.12.2024)
2. Perusal of Part-I of the Form-1 indicates that the Financial Creditor is Shashwat Enterprises Through its Sole Proprietor Pushpendra Jain, having its registered office at 68, Agar Road, Chimanganj Mandi, Ujjain, Madhya Pradesh - 4560 06,
3. Perusal of Part-II of the Form-1 indicates that the Corporate Debtor is one Labhanshi Agritech Private Limited , CIN: U15100MP2021PTC057591,



having its registered office at, 410- Apollo Tower 2 M.G. Road, Indore, M.P. - 452 001.

4. Perusal of Part-III of the Form-1 indicates that the applicant has nominated Navin Khandelwal , as Insolvency Professional, having Registration No. IBBI/IPA-001/IPP00703/2017-2018-11301, E-mail: navink25@yahoo.com to act as Interim Resolution Professional (“IRP”). The proposed IRP has given written communication as per the requirement of Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules,2016 (Annexure-A14). That the proposed interim resolution professional has a valid AFA, having AFA certificate no. AA1/11301/02/311225/107818, and is valid upto 31-12-25, however as per IBBI website it is observed that the AFA is valid upto 31st December 2026.

5. Perusal of Part-IV of the Form-1 reveals that the total amount in default is claimed to be Rs.2,78,07,500/- .

6. It is stated that the respondent had approached the Applicant in the month of November, 2024 requesting for a short term unsecured loan up-to Rs.2,50,00,000/- (Rupees Two Crore Fifty Lakh only), to meet its urgent working capital and other financial requirements. A Loan Agreement dated 04.12.2024 was executed among the parties as per the terms of the agreement, the loan amount was to be disbursed by the Applicant on or before 31.12.2024 to the Respondent, who in turn agreed to repay the said amount till 31.03.2025 along-with interest calculated @1.5% per month. It was further agreed that, in case the Respondent fails to repay the amount on due date it shall pay an



additional penal interest calculated @ 3% per month over and above the normal interest till the actual date of payment.

7. The corporate Debtor has disbursed the loan amount to the tune of Rs.2,27,00,000/- (Rupees Two Crore Twenty Seven Lakh Eighty Thousand only) in various tranches via banking channel which were duly received by the Respondent. It has disbursed the loan amount in the following tranches through banking channel:

Date	Amount(In Rs.)
28.12.2024	65,00,000/-
29.12.2024	68,00,000/-
29.12.2024	32,00,000/-
30.12.2024	62,00,000/-
TOTAL	2,27,00,000/-

8. On 31.03.2025, the Corporate Debtor defaulted in repaying the outstanding principal along with accrued interest under the Loan Agreement, following which the Financial Creditor repeatedly demanded payment through letters dated 14.04.2025, 10.05.2025 and a Demand Letter dated 26.05.2025, while the Corporate Debtor, despite giving successive verbal assurances and specific timelines for payment in April and May 2025, failed to honour its commitments and did not clear the outstanding dues, including normal and penal interest, necessitating the present action



9. Following the Demand Letter, representatives of the Corporate Debtor met the Financial Creditor on 03.06.2025, admitting financial distress and promising to issue three post-dated cheques to secure repayment. However, no cheques were issued, and instead, by letter dated 26.06.2025, the Corporate Debtor sought an additional 15 days citing financial constraints. Considering their long-standing business relationship, the Financial Creditor granted a final opportunity to make payment, but the Corporate Debtor failed to act or honour its commitments. Consequently, the Financial Creditor issued a Demand Notice dated 31.07.2025 (sent via email on 02.08.2025), calling upon the Corporate Debtor to clear the outstanding dues with interest within seven days, yet no reply or payment was received.
10. The copy of bank account statement of the financial creditor depicting the disbursal of the loan amount to the corporate debtor is annexed here as **ANNEXURE-A3** and Copy of the bank statement of the Financial Creditor for the period 01.04.2025 to 22.07.2025 as per the provisions of the Bankers Books of Evidence Act is here annexed as **ANNEXURE-4** and the copy of the ledger of the corporate debtor as maintained in the books of accounts of the Financial Creditor is here annexed as **ANNEXURE-6**
11. The Applicant issued multiple reminders and letters , dated 14.04.2025 & 10.05.2025, to the corporate debtor for the payment of outstanding amount of Rs. 2,27,00,000/- . The failure of which the Applicant had to issue **Demand letter**, dated **26th May,2025** for the payment of outstanding dues along with its pending interest and penal interest.



12.The copy of the letter dated 26.06.2025, sent by the corporate Debtor to the Financial Creditor **acknowledging its liability** qua the outstanding dues is here annexed herewith as **ANNEXURE-8**.

13.It is observed that the certificate of **NESL i.e. Form-C dated 13.08.2025** is placed on record indicating a default date of 31/03/2025 , with the Part-A remarks as “ *The Financial Creditor has given an unsecured loan to the corporate debtor as per loan agreement dated 04.12.2024 and the corporate debtor has failed to repay the loan amount on the due date i.e. 31.03.2025* ” , thus affirming the occurrence of debt & default. The applicant has also complied with the procedure for generation of Form-D and the generation of Form-D is still under process by NESL. In the light of the above, the applicant undertakes to file the Form-D immediately upon recipe of the same.

14.The Applicant/Financial Creditor has relied upon the following documents in order to prove the existence of the debt:-

- I. Copy of the Loan agreement dated 04.12.2024 executed by and between the Applicant and Respondent is enclosed herewith and marked as Annexure-1.
- II. Copy of the Board Resolution dated 25.11.2024 passed by the Corporate Debtor Company to avail the loan is enclosed herewith and marked as Annexure-2.
- III. Copy of the bank statement of the Financial Creditor depicting the disbursal of the loan amount to the Corporate Debtor is enclosed herewith and marled as Annexure3.



- IV. Copy of the bank statement of the Financial Creditor for the period 01.04.2025 to 22.07.2025 as per the provisions of the Bankers Books of Evidence Act is enclosed herewith and marked as Annexure-4.
- V. Copy of the Ledger of the Corporate Debtor as maintained in the books of accounts of the Financial Creditor is enclosed herewith and marked as Annexure5.
- VI. Copy of the Letter dated 14.04.2025 & 10.05.2025 by the Financial Creditor to the Corporate Debtor is enclosed herewith and marked as Annexure-6.
- VII. Copy of the Demand Letter dated 26.05.2025 is enclosed herewith and marked as Annexure-7.
- VIII. Copy of the letter dated 26.06.2025 sent by the Corporate Debtor to the Financial Creditor acknowledging its liability qua the outstanding dues is enclosed herewith and marked as Annexure-8.
- IX. Copy of the Email dated 02.08.2025 along-with its attachments i.e. the Demand Notice dated 30.07.2025 sent to the Corporate debtor is enclosed herewith and marked as Annexure-9
- X. Copy of the GST Certificate of the Applicant along with Aadhar Card and PAN Card of the Sole Proprietor is enclosed herewith and marked as Annexure-10.
- XI. Copy of the Master Data of the Corporate Debtor as downloaded from the website of Ministry of Corporate Affairs is enclosed herewith and marked as Annexure-11.
- XII. Copy of the Interest calculation sheet is enclosed herewith and marked as Annexure-12.



- xiii. Copy of the NESL Certificate Form-C evidencing the proof of debt and default along-with the undertaking of the Applicant is enclosed herewith and marked as Annexure-13.
- xiv. Copy of the consent of the IRP along with valid AFA is enclosed herewith and marked as Annexure-14.
- xv. Copy of the proof of service of the petition on the Corporate Debtor and IBBI is enclosed herewith and marked as Annexure-15 .

AFFIDAVIT IN REPLY BY THE RESPONDENT:

- 15. The deponent has given a substantive reply addressing the applicant's claims and arguments without responding paragraph-wise. No statement should be treated as admitted unless expressly accepted. The Board Resolution authorizing the present deponent is attached as Annexure-R1.
- 16. It is contended that the present petition is not maintainable as it is defective under Section 7 of the Insolvency and Bankruptcy Code, 2016 and the I&B (Application to Adjudicating Authority) Rules, 2016. The petition is further alleged to be legally infirm and liable to dismissal for non-compliance with Rule 34(4) of the NCLT Rules, 2016, which mandates verification of every petition through an affidavit in Form NCLT-6. The petitioner's failure to follow this requirement, along with the affidavit being inadmissible under the Indian Stamp Act, 1899 (as applicable in Madhya Pradesh), renders the verification and the petition itself legally unsustainable.
- 17. It is submitted that under Article 4 of Schedule 1-A of the Madhya Pradesh Stamp Act, an affidavit must bear stamp duty of ₹100, which the petitioner has failed to pay. Since an insufficiently stamped instrument is legally inadmissible, the affidavit is void under Section 35 of the Stamp Act. As a result, the petition,



lacking a valid supporting affidavit, cannot be acted upon until the deficiency is rectified and the applicable penalty is paid.

18. The petition is contended to be misconceived as it has been filed in the name of “M/s. Shashwat Enterprises,” a sole proprietorship, which lacks a separate legal identity. Under Section 3(23) of the Insolvency and Bankruptcy Code, 2016, a sole proprietorship is not recognized as a “person” and therefore cannot act as a financial creditor or institute proceedings in its own name. The petitioner, Mr. Pushpendra Jain, has neither filed the petition in his individual capacity as proprietor nor provided documentary proof of his proprietorship or identity. Owing to these deficiencies and incorrect description of the financial creditor, the petition lacks locus standi and is liable to be dismissed.
19. The petition is stated to be incomplete and non-compliant with mandatory requirements under the Insolvency and Bankruptcy Code, 2016, as the petitioner failed to attach the Record of Default (Form D) from the Information Utility (NeSL). Regulation 20(1A) of the IBBI (Information Utilities) Regulations, 2017 requires a financial creditor to file default information with the Information Utility before submitting a Section 7 application. Since this requirement is mandatory, the absence of the NeSL record—being the primary evidence of debt and default—renders the petition defective and insufficient to justify initiation of the Corporate Insolvency Resolution Process (CIRP).
20. That promoters of the company are working days and nights to ensure that the company's operational performance is brought at right pace and so that the debts are paid off. The Respondent is confident that if the matter is deferred for an year, the Respondent would be in position of clearing all of its debts.
21. That in view of the above solvent and running status of the company, the CIRP cannot be initiated under IBC. In this regards the findings of Hon'ble Supreme



Court in Vidarbha Industries Power Limited Vs. Axis Bank Limited in Civil Appeal No. 4633 of 2021 is important, which are as under:

"59. There can be no doubt that a Corporate Debtor who is in the red should be resolved expeditiously, following the timelines in the IBC. No extraneous matter should come in the way. However, the viability and overall financial health of the Corporate Debtor are not extraneous matters."

The copy of said Hon'ble Supreme Court judgement dated 12.07.2022 in the matter of Vidarbha Industries Power Limited Vs. Axis Bank Limited in Civil Appeal No. 4633 of 2021 is attached herewith and marked as **ANNEXURE R2**.

Response to the corporate debtor's defences:

S.No.	Objections raised by the respondent	Response by the applicant
1.	Objection regarding Rule 34(4) Inadequate stamping - Alleged improper stamping/ inadequate stamping:	The objection is misconceived. The Affidavit in support of Form-1, placed at Page No.27, is in proper format, duly stamped as per law and notarized. Rule 34(4) requires a supporting affidavit in prescribed form, which stands fully satisfied. The Corporate Debtor has not demonstrated any defect in stamping or attestation. A bald allegation without evidence cannot defeat a Section 7 petition.

2.	Objection that Petition by a Sole Proprietorship is not maintainable	<p>This objection is untenable. The Petition is filed through the Sole Proprietor, and in law, a proprietorship concern and its proprietor are one and the same person. The GST Registration Certificate at (Page No. 63 Annexure-10) clearly records the name of the proprietor, establishing locus. Numerous judicial pronouncements have held that a proprietorship is not a separate legal entity and that the proprietor can sue in his own name for debts of the proprietorship. Accordingly, the Petition is perfectly maintainable.</p>
3.	Objection that Record of Default (Form D) is not attached	<p>This objection is legally unsustainable. The Hon'ble Court in the case of Vijay Kumar has categorically held that:</p> <ul style="list-style-type: none">• Form D/ Information Utility record is not mandatory for filing a petition under Section 7.



		<ul style="list-style-type: none">• A Financial Creditor may prove default through any other admissible documentary evidence. The documents placed on record such as loan agreement, bank disbursals, reminders, acknowledgment of debt dated 26.06.2025 are more than sufficient to demonstrate default. Therefore, the absence of Form D cannot be a ground for rejection.
4.	Objection based on Vidarbha Industries judgment:	<p>The Corporate Debtor seeks to rely on Vidarbha Industries, claiming that it is "solvent" and therefore CIRP should not be initiated. This defence is meritless for the following reasons:</p> <ul style="list-style-type: none">• No financial statements or balance sheet have been produced to demonstrate solvency. A mere assertion is insufficient.• The case of Vidarbha Industries applies only in exceptional and rare



	<p>circumstances where there exists a legally enforceable right to receive substantial amounts, or where admission would cause manifest injustice.</p> <ul style="list-style-type: none">• The present case involves undisputed disbursal, admitted liability (Annex-8), and clear default.
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All objections raised by the Corporate Debtor are factually incorrect, legally untenable, and unsupported by evidence. The Petition satisfies all statutory requirements of Section 7, and the Corporate Debtor has itself acknowledged the liability in writing. The defences are merely dilatory and do not rebut the core ingredients: existence of debt, disbursal, and default and therefore, CIRP may kindly be initiated against the Corporate Debtor.

22. Analysis and Observation:

We have heard the counsel for the applicant and have perused the records. The Observations of the Tribunal are follow as under: -

23. This is a petition filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 (“the Code”) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by M/S SHASHWAT ENTERPRISES (“Financial Creditor”) seeking initiation of Corporate



Insolvency Resolution Process (“CIRP”) against LABHANSI AGRITECH PRIVATE LIMITED (“Corporate Debtor”) for default in repayment of a financial debt amounting to Rs.2,78,07,500/- as on 31.03.2025.

24. The brief facts, as stated by the Financial Creditor, are that in November 2024, the respondent sought a short-term unsecured loan of up to ₹2.5 crore from the applicant to meet urgent financial needs. A Loan Agreement dated 04.12.2024 was executed, under which the applicant was to disburse the loan by 31.12.2024, and the respondent agreed to repay it by 31.03.2025 with interest at 1.5% per month and an additional 3% penal interest in case of default. Pursuant to the agreement, the applicant disbursed ₹2.27 crore in multiple tranches through banking channels, which were duly received by the respondent.
25. It is further stated that the applicant sent several reminders and letters on 14.04.2025 and 10.05.2025 to the corporate debtor seeking payment of the outstanding ₹2.27 crore. Upon continued default, the applicant issued a Demand Letter dated 26.05.2025, calling for payment of the outstanding dues along with accrued and penal interest
26. The record includes an NeSL certificate (Form-C) dated 13.08.2025, which shows the default date as 31.03.2025 and confirms that the financial creditor had granted an unsecured loan under the agreement dated 04.12.2024, which the corporate debtor failed to repay on time. The applicant has also followed the process for generating Form-D, which is currently under preparation by NeSL, and has undertaken to submit it upon receipt.
27. The Corporate Debtor, in its affidavit in reply, contests the maintainability of the petition. It is contended that the petition is defective and not maintainable under Section 7 of the Insolvency and Bankruptcy Code, 2016, for



multiple procedural and legal deficiencies. It is argued that the petition violates Rule 34(4) of the NCLT Rules, 2016, as the mandatory affidavit in Form NCLT-6 is improperly verified and inadequately stamped, making it inadmissible under the Madhya Pradesh Stamp Act, 1899.

28. Further, the petition was wrongly filed in the name of “M/s. Shashwat Enterprises,” a sole proprietorship with no separate legal identity, without proof of proprietorship or identity of Mr. Pushpendra Jain, thereby lacking locus standi. Additionally, the petitioner failed to annex the mandatory Record of Default (Form D) from NeSL, contrary to Regulation 20(1A) of the IBBI (Information Utilities) Regulations, 2017.
29. The respondent also submits that the company is solvent and actively working to clear its debts, and therefore, CIRP cannot be initiated. Reliance is placed on the Supreme Court’s judgment in Vidarbha Industries Power Limited v. Axis Bank Limited (Civil Appeal No. 4633 of 2021), emphasizing that the financial health and viability of a company are relevant considerations before admitting a Section 7 application.
30. The Financial Creditor, on the other hand, refutes all objections raised by the corporate debtor as baseless. It is asserted that the affidavit accompanying Form-1 is duly stamped, notarized, and in the prescribed format, satisfying Rule 34(4) of the NCLT Rules, 2016, and that vague claims of improper stamping lack evidentiary support. The maintainability objection is also rejected, as the petition was filed by the sole proprietor himself, with proof of proprietorship established through the GST Registration Certificate, and settled law recognizes that a proprietorship and its proprietor are legally identical. The objection regarding the absence of Form D is termed untenable since courts, including in Vijay Kumar, have held that submission of Form D is not mandatory, and default can be proven through other reliable documents such as the loan



agreement, bank records, and debt acknowledgments. Lastly, reliance on the Vidarbha Industries judgment is deemed misplaced because the corporate debtor has provided no financial statements to prove solvency, and the case applies only to exceptional circumstances—whereas the present matter involves admitted debt, disbursal, and default.

31. The amount of default as evidenced is Rs. 2,78,07,500/- which exceeds the minimum threshold prescribed under Section 4(1) of the Code. The petition, therefore, satisfies all requirements of Section 7(3) read with Rule 4 of the Adjudicating Authority Rules, 2016.
32. The application is complete in all respects and the proposed Interim Resolution Professional, Mr. Navin khandelwal, (IBBI/IPA-001/IPP00703/2017-18/11301), has submitted her written communication in Form 2, confirming his eligibility and consent to act as Interim Resolution Professional.
33. Upon perusal of the documents and after hearing both sides, this Adjudicating Authority finds that the debt and default committed by the Corporate Debtor are duly established. There is no material on record disproving the Financial Creditor's claim. The petition is liable to be admitted.
34. Further, the Hon'ble Supreme Court in the case of Innoventive Industries Limited v. ICICI Bank Limited, where it has discussed extensively the scope of the Adjudicating authority under section 7 of the IBC is limited to assessing the records provided by the financial creditor to satisfy itself that the default has occurred:



"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 4 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 timeline, 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.

30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the 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 the adjudicating authority may reject an application and not otherwise."

35. Thus as per the evidence produced before us, keeping in view the law as discussed above and as per the terms and conditions of the said loan agreement the corporate Debtor had to pay the dues in discharge of its obligation. The corporate debtor was irregular in the payment and committed default in payment. Despite various demand notice/reminder letters, the corporate debtor had not made any efforts to make payments of the dues on the respective due dates. Therefore, the said debt has remained due, defaulted and payable since then. The application filed under section 7 of IBC,2016 r.w. rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiation of corporate Insolvency Resolution Process of the corporate Debtor and the present case is fit to initiate CIRP of the corporate Debtor

Order

- i. The petition filed by M/S SHASHWAT ENTERPRISES under Section 7 of the Insolvency and Bankruptcy Code, 2016 against LABHANSI AGRITECH PRIVATE LIMITED is hereby **admitted**.



ii. The Corporate Insolvency Resolution Process of LABHANSI AGRITECH PRIVATE LIMITED is hereby initiated under Section 7(5)(a) of the Code.

36. Navin Khandelwal , as Insolvency Professional, having Registration No. IBBI/IPA-001/IPP00703/2017-2018-11301, E-mail: navink25@yahoo.com to act as Interim Resolution Professional (“IRP”). The proposed IRP has given written communication as per the requirement of Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules,2016 (Annexure-A14). That the proposed interim resolution professional has a valid AFA, having AFA certificate no. AA1/11301/02/311225/107818, and is valid upto 31-12-25 however as per IBBI website the AFA of the IP has been extended upto 31st December 2026. The proposed IRP is to carry out the functions as per Sections 17, 18, and 19 of the Code. It is further made clear that all personnel connected with the Corporate Debtor, its Promoter, or any other person associated with management of the Corporate Debtor are under legal obligation as per Section 19 of the Code to extend every assistance and co-operation to the Interim Resolution Professional. Where any personnel of the Corporate Debtor, 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 the appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

iii. In terms of Section 14 of the Code, upon commencement of CIRP, the following moratorium is declared:

a) The institution of suits or continuation of pending suits or proceedings against the respondent 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 respondent 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 respondent in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;*
- d) The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the respondent.*

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 licence, permit, registration, quota, concession, clearance 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 or a similar grant or right during moratorium period;

- v. However, during the pendency of moratorium period in terms of Section 14(2) and 14(3) as extracted hereunder;
 - 2. *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.*
 - (2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate*



Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

(3) The provisions of sub-section (1) shall not apply to

- a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;*
- b) a surety in a contract of guarantee to a corporate debtor.*

vi. The duration of period of moratorium shall be as provided in section 14(4) of the code which is reproduced below for ready reference;

(4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.

iv. The IRP shall make public announcement and invite claims under Section 15 of the Code and take control of the management of the Corporate Debtor's affairs, assets, and records forthwith. The IRP shall



after collation of all the claims received against the Corporate Debtor and the determination of the financial position of the Corporate Debtor constitute a Committee of Creditors (hereinafter referred as ‘CoC’) and shall file a report certifying the CoC to this Tribunal on or before the expiry of thirty days from the date of his appointment, and shall convene the first meeting of the CoC within seven days of filing the report of CoC.

- v. The IRP shall be under a duty to protect and preserve the value of the property of the Corporate Debtor Company and manage the operations of the Corporate Debtor Company as a going concern as a part of the obligation imposed by Section 20 of the Insolvency & Bankruptcy Code, 2016.
- vi. The commencement of the Corporate Insolvency Resolution Process (CIRP) shall be effective from the date of this order.
- vii. Copy of the order shall be communicated to the Applicant, Corporate Debtor as well as to the IRP appointed herein, by the Registry. In addition, a copy of the order shall also be forwarded to IBBI for its records and also to RoC for updating the Master Data. RoC shall send compliance report to the Registrar, NCLT.
- viii. We direct the Applicant to deposit a sum of Rs. 1,00,000/- with the Interim Resolution Professional, to meet out the expenses to perform the functions assigned to him in accordance with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for



Corporate Persons) Regulation, 2016. The needful shall be done within one week from the date of receipt this of order by the Financial Creditor.

ix. Accordingly, **CP(IB) 58/(M.P.) 2025** stands **allowed**.

Sd/-

MAN MOHAN GUPTA
(MEMBER TECHNICAL)

Sd/-

BRAJENDRA MANI TRIPATHI
(MEMBER JUDICIAL)

Anushka-LRA