

Through Videoconference

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT No. V

CP No. 1011/(IB)-MB-V/2020

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

Yes Bank Limited

Yes Bank Tower, IFC-2, 15th Floor,

Senapati Bapat Marg,

Elphinstone (West), Mumbai-400013

... Petitioner

Vs.

Cox & Kings Financial Services Limited

1st Floor, Turner Morrison Building,

16 Bank Street, Fort, Mumbai-400001

... Respondent

Order Pronounced on: 07.05.2021

Coram:

Janab Mohammed Ajmal, Hon'ble Member Judicial

Shri Chandra Bhan Singh, Hon'ble Member Technical

Appearance:

For the Petitioner: Mr. Ankit Lohia a/w Mr. Varun Nathani a/w Mr.

Vaibhav Sharma I/b Ms. Sukanya Bhaumi

For the Respondent: Adv. Shyam Kapadia a/w Adv. Dhruva Gandhi a/w
Adv. Dharmesh Joshi I/b T. D. Joshi and Associate

Per: Chandra Bhan Singh, Member Technical

ORDER

1. The Petitioner has furnished Form No. 1 under Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter as the Rules) by invoking the provisions of Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter as the Code) against the Respondent seeking Corporate Insolvency Resolution Process (CIRP) alleging default in payment of a financial debt.
2. In the requisite Form-1, under the head "Particulars of Financial Debt" the total amount of Debt granted is stated to be ₹.400,00,00,000/-, and the amount claimed to be in default is ₹.445,51,56,342.32/- including interest @10.85% and penal interest @ 2%. The details of the default amount are as follows:

Principal Amount in ₹	398,37,50,097.47/-
Interest @10.85%	36,58,01,760.88/-
Penal Interest @ 2%	10,56,04,483.97/-
Total	445,51,56,342.32/-

BRIEF HISTORY OF THE CASE

3. The Petitioner sanctioned two facilities to the Respondent:
 - (i) Working Capital Demand Loan of ₹. 350,00,00,000/- on 11.09.2018 and Master Facility Agreement dated 16.10.2018.
 - (ii) Additional Cash Credit of ₹. 50,00,00,000/- on 01.03.2019 and Supplemental Master Facility dated 11.04.2019.

The said facilities were secured by the Respondent by two Hypothecation deeds dated 16.10.2018 and 20.05.2019. Two deeds of

Personal Guarantee dated 16.05.2019 were executed by Mr. Ajay Kerkar and Mrs. Urmila Kerkar in a favor of the Petitioner.

4. The Respondent has defaulted an amount of ₹. 445,51,56,342.32/-, Working Capital Demand Loan as on 01.08.2019 and Cash Credit Facility as on 01.10.2019 in the repayment of the facilities and interest thereon.
5. On 11.12.2019 the Petitioner sent a Loan Recall Notice to the Respondent demanding to make the payment of the outstanding amount of ₹.418,67,03,036.47/-.
6. On 11.12.2019 the Petitioner sent an invocation of personal guarantee notice to Mr. Ajay Kerkar and Mrs. Urmila Kerkar. Despite the receipt of the guarantee invocation notice, no payment was made to the Petitioner.
7. The Petitioner enclosed the certificate under Section 2(A)(b) of the Bankers Books Evidence Act, 1891.
8. Hence, due to nonpayment of debts the Petitioner file this Petition u/s 7 of the IBC as a Petitioner for initiating the CIRP.

SUBMISSIONS BY THE CORPORATE DEBTOR

9. The Respondent submits that the Reply is based on the documents annexed to the Petition and those in the possession of the Respondent. The Respondent shares a common office with Cox and Kings Limited, against whom CIRP came to be initiated on 05.11.2020. The Resolution Professional appointed by the NCLT, in that matter, has not given any access to his office or other documents.

10. On 02.08.2018 this Hon'ble Tribunal approved the scheme of demerger of Cox and Kings Limited. At the time of demerger, it was decided that Respondent would primarily be engaged in the business of foreign exchange. The Respondent carries only this business after the demerger order. Soon after the Respondent surrendered the NBFC license on 13.09.2019, and registered as an authorized dealer in Category-II under the Foreign Exchange Management Act, 1999 ("FEMA").
11. The Respondent mentions that the Statements of accounts produced by the Petitioner A/C bearing No.-XX3502 is maintained by the Respondent with the Petitioner Bank and it is seen that a sum of ₹. 350,00,00,000/- is shown as a credit entry with the caption "Demand Loan Disburse Andheri (E)" on 12.09.2018 and on the same day though, a debit entry of ₹.346,00,00,000/- from Cox and Kings Limited is also shown and the account balance is then said to have reduced ₹.40,300,000/-.
12. The Respondent further mentions that, a loan facility that was disbursed on 12.09.2018 was repaid on 16.01.2019, the statements of accounts produced by the Petitioner do not carry any accounting entry for the period between 10.10.2018 and 18.03.2019. A closer examination of this document reveals that it is an incomplete document which the Petitioner has intentionally produced before the Hon'ble Tribunal.
13. The Respondent submits that a suspicious entry also comes to the fore on 18.03.2019. On a close reading of the statement of accounts, it is seen that two debit entries of ₹.250,000,000/- have been made. However, on the same day, one also notices a credit entry worth ₹.500,000,000/- with the notation 'Demand Loan Disburse'. The Petitioner has not given any reasonable explanation regarding the same. On comparing these statements of accounts, with a summary

produced it appears that an amount of ₹.500,000,000/- was actually repaid on 22.04.2019, and this entry is nowhere to be found in the statement of accounts.

14. The Respondent submits that the elements of Section 3(11) of the Code, being a pre-requisite for the admission of a Petition under Section 7, have not been satisfied. The Statement of accounts produced by the Petitioner are forged and incomplete and the petition is liable to be rejected on this ground.
15. The Stamp duty paid by the Petitioner on the Deed of Hypothecation is only ₹.100/-, this stamp duty is insufficient as per Article 6(2) of Schedule I of the Maharashtra Stamp Act, 1959.

REJOINDER BY THE PETITIONER:

16. The Petitioner submits that the Working Capital Loan Demand loan facility was not cleared on 16.01.2019 it stood converted into a Cash Credit facility. The reliance placed by the Respondent on the debit/credit entries after the initial disbursement of loan by the Petitioner is mismatched and the same only shows conversion of the facility from Working Capital Demand Loan (WCDL) to Cash Credit (CC) and vice versa, and these entries do not in any manner show any form of repayment. The record of default of the Respondent is misplaced and as per the record maintained by the NeSL also shows that the Respondent has defaulted on both the facilities granted by the Petitioner aggregating to ₹.400 Crores.

FINDINGS: -

17. This is a Petition filed u/s.7 of the Code by the Petitioner for a total amount of ₹.445,51,56,342/- as on 26.05.2020 against the Respondent. Under this facility, the Petitioner sanctioned a total sum

of ₹.400 crores towards CC facility and WCDL where WCDL is a subset of Cash Credit facility. The master facility agreement dated 16.10.2018 signed between the parties at para 2 reads is as under: -

*"2. AMOUNT AND TERMS OF THE FACILITIES 2.1 Subject to the terms and conditions of this Agreement and the Transaction Documents, the Bank may, at its sole and absolute discretion grant/extend to the Borrower all or some of the Facilities as may be agreed upon and specified in Schedule I hereof, for sums not exceeding at any one time in the aggregate of the Overall Limit, in the manner contained in this Agreement. The Limits for each of the Facilities are mentioned in Schedule I hereof. All outstanding amounts of interest, commission, discount, exchange, services charges and other costs, charges and monies in respect of the respective Facilities, whether debited to the Account or not, shall also be included in determining the Available Limits. The Bank shall at its sole discretion extend the Facilities or any part thereof from the branch specified in the Schedule I hereof and would be entitled to change the said branch to any other branch of the Bank from time to time. **The Facilities may be interchangeable, at the discretion of the Bank.***

(emphasis supplied)

This clearly shows that the facilities upto a maximum limit of ₹.400 crores combined are interchangeable, i.e., from WCDL it can be converted into CC and *vice versa* at the discretion of the Bank. We also note that based on the request of the Respondent vide letter dated 11.09.2018 an amount of ₹.350 crores for a tenure of 4 months as WCDL was disbursed to the Respondent on 12.09.2018 by the Petitioner. Similarly, based on the request letter of 18.03.2019 by the Respondent, another sum of ₹.50 crores by way of WCDL for a period of 30 days was disbursed on the same day to the Respondent.

18. The charge created by the Respondent in favor of the Petitioner has been submitted to this Bench as per the company master details from the records of the Ministry of Corporate Affairs as on 01.07.2019, which shows a charge of ₹.400 crores in favor of the Petitioner and the status of the charge is shown as proven.

19. The Petitioner has also supplied entries in the Banker's book in accordance with the Banker's Book of Evidence Act showing the statement relating to the amount disbursed by the Petitioner, amount received by the Respondent and payment made by the Respondent towards interest/ EMI for some months. Before this Bench is also placed a record of default from NeSL, which shows that Respondent has defaulted on both facilities i.e., of ₹.350 crores and ₹.50 crores. The default as per the NeSL is under: -

No.	Facility	Amount in default as per NeSL record (incl. interest)	Date of Default as per NeSL record
1.	Working Capital Demand Loan	370,93,19,362	1 st August 2019
2.	Cash Credit	51,00,70,311/-	16 th August 2019
Total		421,93,89,673/-	

20. A loan recall notice dated 11.12.2019 has been submitted in the Petition wherein the Petitioner has called upon the Respondent to repay the facilities availed along with interest. This letter has not been disputed by the Respondent. In the affidavit-in-reply the Respondent had contended that ₹.350 crores facility has been repaid on 16.01.2019 and that ₹.50 crores facility stood repaid on 22.04.2019. Here the Bench notes that it is not a case that on 16.01.2019 the Respondent has made repayment of the WCDL but the WCDL was converted into CC facility as evidenced from an

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identical entry of ₹.349,32,35,082/- as last entry in page 24 of the additional affidavit, which matches with the balance which figures by way of last entry in page 327 of the Petition:

16-JAN-2019	15-JAN-2019	136LA04182550001-DMNDLOAN-LIQ		1,744,948.00	0.00	0.00
16-JAN-2019	16-JAN-2019	RTGS CR-ICIC0000104-COX AND KINGS FINANCIAL SERVICE LTD-COX AND KINGS FINANCIAL SERVICE LTD-ICICR22019011600441098		0.00	2,000,000.00	2,000,000.00
16-JAN-2019	16-JAN-2019	FUNDS TRF-RAJENDRA PLC-023284900000205	000000630187	0.00	108,238.00	2,108,238.00
16-JAN-2019	16-JAN-2019	FUNDS TRF FROM XX0596/MOBTXN		0.00	16,199.00	2,124,437.00
16-JAN-2019	16-JAN-2019	NEFT CR-YESB0000001-FCM TRAVEL SOLUTIONS-COKAND KING FINANCIAL SERVICE LIMIT-SB16190189368511		0.00	101,573.00	2,226,010.00
16-JAN-2019	16-JAN-2019	RTGS CR-ICIC0000104-COX AND KINGS FINANCIAL SERVICE LTD-COX AND KINGS FINANCIAL SERVICE LTD-ICICR22019011600487221		0.00	2,500,000.00	4,726,010.00
16-JAN-2019	16-JAN-2019	NEFT CR-ICIC0SF0002-ASHISH KUMAR JAIN-COX AND KINGS FINANCIAL SERVICE LIMITED-1621441337		0.00	68,523.00	4,794,533.00
16-JAN-2019	16-JAN-2019	FCY 855 USD @ 70.90	000000825678	60,619.50	0.00	4,733,913.50
16-JAN-2019	16-JAN-2019	005FCDY190160002-MISC-REMIT-LIQ-ANDHERI (E)	000000000000	1,086,357.80	0.00	3,647,555.70
16-JAN-2019	16-JAN-2019	005MISC190160176-MISC-REMIT-LIQ-ANDHERI (E)	000000000000	107,404.82	0.00	3,540,150.88
16-JAN-2019	16-JAN-2019	005MISC190160185-MISC-REMIT-LIQ-ANDHERI (E)	000000000000	896,377.50	0.00	2,643,773.38
16-JAN-2019	16-JAN-2019	FUNDS TRF-VASANT VIHAR-026491000000900	000000629196	656,680.00	0.00	1,987,093.38
16-JAN-2019	16-JAN-2019	136LA04182550001-DMNDLOAN-LIQ-	000000000000	3,493,235,082.39	0.00	-3,491,247,989.01

TRN DATE	VALUE DATE	DETAILS	DEBIT	CREDIT	DISBURSED TO A/C	RECOVERED FROM A/C	BALANCE
01-JAN-2019	01-JAN-2019	Normal Interest Payment		32,698,630.14		007881300003502	3,500,000,000.00
12-JAN-2019	12-JAN-2019	Normal Interest Due	11,602,739.73				3,511,602,739.73
12-JAN-2019	12-JAN-2019	Normal Interest Payment		11,602,739.73		007881300003502	3,500,000,000.00
12-JAN-2019	12-JAN-2019	Principal Payment		5,203,642.39		007881300003502	3,494,796,357.61
12-JAN-2019	16-JAN-2019	Penal Interest Due	4,974,853.58				3,499,771,211.19
14-JAN-2019	14-JAN-2019	Principal Payment		4,791,180.80		007881300003502	3,494,980,030.39
15-JAN-2019	15-JAN-2019	Principal Payment		1,744,948.00		007881300003502	3,493,235,082.39
16-JAN-2019	16-JAN-2019	Penal Interest Payment		4,974,853.58		007881300003502	3,488,260,228.81
16-JAN-2019	16-JAN-2019	Principal Payment		3,488,260,228.81		007881300003502	0.00
				.81			
						Closing Balance	0.00

RATE CHANGE HISTORY

UDE ID	EFFECTIVE DATE	SPREAD	EFFECTIVE RATE
INTEREST_ON_INT	01-DEC-2018	3.4	13
INTEREST_ON_INT	12-SEP-2018	3.4	12.75
LIMITINT_2	04-DEC-2018	2	2
NORMAL_INT	01-DEC-2018	1.4	11
NORMAL_INT	12-SEP-2018	1.4	10.75
PENALTY_INT	01-DEC-2018	3.4	13
PENALTY_INT	12-SEP-2018	3.4	12.75

The Bench notes that again on 29.03.2019 the same was converted to WCDL and since the Respondent again failed to close the WCDL account on 10.05.2019, it was re-converted to a CC facility. It is evident from the below snapshot of records:

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YES BANK LTD-CONNAUGHT PLACE
GR.&MZ.FLOOR,56 JANPATH,ALPS BLDG,
CONNAUGHT PLACE, NEW DELHI - 110001
NEXT TO PIZZA HUT



Tuesday, 26 May 2020



COX AND KINGS FINANCIAL SERVICE LIMITED
GROUND FLR VAMAN CENTRE
MAKWANA ROAD MAROL ANDHERI EAST
MUMBAI 400059

STATEMENT OF ACCOUNT FROM 01-APR-2004 TO 26-MAY-2020

CONTRACT REFERENCE NO	: 136LA04190880004	INTEREST RATE	: 12.9
USER REFERENCE NO	: 136LA0419D020456	PENAL INTEREST RATE	: 14.9
ALTERNATE ACCOUNT NO	: 136LA04190880004	INTEREST RATE TYPE	: M_MCLR
BOOKING DATE	: 29-MAR-2019	LATEST INT RESET DATE	: 02-MAY-2019
MATURITY DATE	: 28-APR-2019	ACCOUNT CURRENCY	: INR

ACCOUNT SUMMARY

TOTAL OUTSTANDING	: 0.00	INTEREST OUTSTANDING	: 0.00
PRINCIPAL OUTSTANDING	: 0.00	PENAL INT OUTSTANDING	: 0.00

TRN DATE	VALUE DATE	DETAILS	DEBIT	CREDIT	DISBURSED TO A/C	RECOVERED FROM A/C	BALANCE
29-MAR-2019	29-MAR-2019	Loan Disbursed	3,500,000,000.00		007881300003502		3,500,000,000.00
01-APR-2019	01-APR-2019	Normal Interest Due	3,739,726.03				3,503,739,726.03
01-APR-2019	01-APR-2019	Normal Interest Payment		3,739,726.03		007881300003502	3,500,000,000.00
28-APR-2019	28-APR-2019	Normal Interest Due	33,408,219.18				3,533,408,219.18
28-APR-2019	08-MAY-2019	Penal Interest Due	109,103.01				3,533,517,322.19
28-APR-2019	10-MAY-2019	Penal Interest Due	17,145,205.48				3,550,662,527.67
08-MAY-2019	08-MAY-2019	Normal Interest Payment		33,408,219.18		007881300003502	3,517,254,308.49
06-MAY-2019	06-MAY-2019	Penal Interest Payment		11,430,136.99		007881300003502	3,505,824,171.50
06-MAY-2019	06-MAY-2019	Penal Interest Payment		109,103.01		007881300003502	3,505,715,068.49
10-MAY-2019	10-MAY-2019	Principal Payment		3,500,000,000.00		007881300003502	5,715,068.49
				.00			
13-MAY-2019	13-MAY-2019	Penal Interest Payment		3,438,000.30		007881300003502	2,277,068.19
13-MAY-2019	13-MAY-2019	Penal Interest Payment		590,002.00		007881300003625	1,687,066.19



The concomitant entries can be seen in the Cash Credit facility as mentioned below.

10-MAY-2019	10-MAY-2019	005ATAT191300039-MISC-REMIT-LIQ-ANDHERI (E)	000000000000		7,845.00	0.00	-3,986,155,084.76
10-MAY-2019	10-MAY-2019	136LA04191300001-DEMNDLOAN-DISBURSE-ANDHERI (E)	000000000000		0.00	3,500,000,000.00	-486,155,084.76
10-MAY-2019	13-MAY-2019	CHQ DEPOSIT MUMBAI-CSM	000000369044		0.00	28,289.00	-486,126,795.76
10-MAY-2019	10-MAY-2019	005MISC191300326-MISC-REMIT-LIQ-ANDHERI (E)	000000000000		129,183.65	0.00	-486,255,979.41
10-MAY-2019	10-MAY-2019	005MISC191300327-MISC-REMIT-LIQ-ANDHERI (E)	000000000000		100,947.10	0.00	-486,356,926.51
10-MAY-2019	10-MAY-2019	005MISC191300328-MISC-REMIT-LIQ-ANDHERI (E)	000000000000		877,075.38	0.00	-487,234,001.89
10-MAY-2019	10-MAY-2019	005MISC191300329-MISC-REMIT-LIQ-ANDHERI (E)	000000000000		321,147.43	0.00	-487,555,149.32
10-MAY-2019	10-MAY-2019	005MISC191300330-MISC-REMIT-LIQ-ANDHERI (E)	000000000000		570,375.47	0.00	-488,125,524.79
10-MAY-2019	10-MAY-2019	005MISC191300331-MISC-REMIT-LIQ-ANDHERI (E)	000000000000		91,052.60	0.00	-488,216,577.39

21. This clearly shows that it is a transfer from one account i.e., from WCDL to CC and *vice versa*. The transfer from WCDL to CC happened when there was the default in payment and every time when it goes from CC to WCDL it has been on the request of the Respondent. These back-and-forth transfers are well within the scope of the agreement as mentioned at Para 2 of the master facility agreement dated 16.10.2018.

22. Another defense that has been taken by the Respondent that there is a mismatch in the figures claimed in the Petition and the record of default. The Petitioner in an explanation mentions that this variance is as a result of calculation of interest up to the respective cut-off date. With regard to the ₹.50 crores extended as Additional CC Facility, the Respondent mentions that a sum of ₹.50 crores has been repaid on 22.04.2019 as is evident from the record of the loan account. However, again we note that on the same day against this **credit** entry a **debit** entry has come into existence in the facilities extended to the Respondent xxx 03502.

22-APR-2019	22-APR-2019	NEFT CR-ICIC0SF0002-VRS FOODS LIMITED-COX AND KINGS FINANCIAL SERVICE LTD-21168722221DC	0.00	1,003,756.00	10,828,995.29
22-APR-2019	23-APR-2019	CHQ DEPOSIT MUMBAI-BOB	000000000752	0.00	49,195.00
22-APR-2019	22-APR-2019	136LA04190770001-INT-PDO-DEMNDLOAN-ANDHERI (E)	000000000000	6,198.72	0.00
22-APR-2019	22-APR-2019	136LA04190770001-DMNDLOAN-LIQ-ANDHERI (E)	000000000000	501,054,794.52	0.00
22-APR-2019	22-APR-2019	136LA04190770001-INT-PMT-DEMNDLOAN-ANDHERI (E)	000000000000	2,938,356.16	0.00
22-APR-2019	23-APR-2019	CHQ DEPOSIT DELHI-SCB	000000016851	0.00	38,569.00
22-APR-2019	23-APR-2019	CHQ DEPOSIT DELHI-AXIS	000000912864	0.00	405,054.00
22-APR-2019	23-APR-2019	CHQ DEPOSIT DELHI-INB	000000995138	0.00	200,490.00
22-APR-2019	23-APR-2019	CHQ DEPOSIT DELHI-QBC	000000220470	0.00	94,836.00
22-APR-2019	23-APR-2019	CHQ DEPOSIT DELHI-UBI	000000075176	0.00	174,997.00
22-APR-2019	23-APR-2019	CHQ DEPOSIT DELHI-GPO	000000848325	0.00	50,000.00
22-APR-2019	23-APR-2019	CHQ DEPOSIT DELHI-UBI	000000105603	0.00	174,997.00
22-APR-2019	23-APR-2019	CHQ DEPOSIT DELHI-DEU	000000541217	0.00	195,466.00
23-APR-2019	23-APR-2019	NEFT CR-UTIB0000733-TEKLINK SOFTWARE PVT LTD-COX AND KINGS FINANCIAL SERVICE LI-AXIC191139428463	000000941401	10,440.00	0.00
23-APR-2019	23-APR-2019	CTS CLG MUM EBIXCASH WORLD MONEY LIMI			-491,501,330.11
23-APR-2019	23-APR-2019	NEFT CR-ICIC0SF0002-		0.00	100.00
					-491,501,230.11

Therefore, here again we see that it is a transfer from one loan account of the Respondent to another loan account of the Respondent maintained by Cox and Kings and not by way of any repayment by the Respondent. It is a transfer as per the master agreement from WCDL to Cash Credit and *vice versa*. Therefore, the bench notes that it is false and mischievous on the part of the Respondent to claim that shifting of the loan facility from one type of loan to another, amounts to a repayment of the loan. The interchange between the loan accounts of the Respondent i.e., interchanging of WCDL with Cash Credit and *vice versa* is well within the ambit of the master facility agreement and could happen at the discretion of the Bank. The

difference in the 'credit' and 'debit' amounts between these two facilities by way of debit and credit is marginal as a result of interest rate calculations. We note that the difference of amounts when transferred from one facility to the other by the Bank is as a result of difference on account of interest calculation.

23. It is a settled principle that while considering an Application u/s. 7 of the Code what is to be seen is that there is 'disbursement of loan' and there is 'default' on the part of the Respondent. In this regard, we place reliance on the Judgment of Hon'ble NCLAT in the matter of *Dhar Textile Mills Limited Vs. Asset Reconstruction Company (India) Limited, Company Appeal (AT) (Insolvency) No.11 of 2019*

*"4. ...it is clear that the Adjudicating Authority is **not required to decide mis-match of 'debt' occurred in one place or the other place and the mis-match of 'debt' cannot be a ground to reject the claim if the amount is due more than Rupees One Lakh and there is a 'default'**. Under Section 7(5), the Adjudicating Authority is to be satisfied that a 'default' has been occurred. **If the 'debt' is more than Rupees One lakh, then the Adjudicating Authority is required to admit the application**, except where there is defect, which can be removed within seven days from the date of receipt of the notice from the Adjudicating Authority. The 'corporate debtor' may only take plea that the 'default' has not occurred in the sense that 'debt' which has also includes 'disputed claim' is not due, a 'debt' may not be due, if it is not payable in law or in fact."*

(emphasis supplied)

24. In view of the above, the 'debt' and 'default' in the instant case are established beyond any iota of doubt. Therefore, it is a fit case for '**Admission**' for CIRP u/s.7 of the Code. We hereby do so effective from this date.

25. Further, we have also perused Form – 2 i.e., written consent of the proposed Interim Resolution Professional submitted along with this application/petition by the Petitioner and there is nothing on record which proves that any disciplinary action is pending against the said proposed Interim Resolution Professional.
26. The Petitioner has proposed the name of Insolvency Professional. The IRP proposed by the Petitioner, Mr. Pardeep Kumar Sethi, having registration No. IBBI/IPA-001/IP-P00711/2017-2018/11265, Email id: peekay.sethi@gmail.com, is hereby appointed as Interim Resolution Professional to conduct the Insolvency Resolution Process.
27. Having admitted the Petition/Application, the provisions of Moratorium as prescribed under Section 14 of the Code shall be operative henceforth with effect from the date of order and shall be applicable by prohibiting institution of any Suit before a Court of Law, transferring/encumbering any of the assets of the Debtor etc. However, the supply of essential goods or services to the “Respondent” shall not be terminated during the Moratorium period. It shall be effective till completion of the Insolvency Resolution Process or until the approval of the Resolution Plan prescribed under Section 31 of the Code.
28. That as prescribed under Section 13 of the Code on the declaration of Moratorium the next step of Public Announcement of the Initiation of Corporate Insolvency Resolution Process shall be carried out by the IRP immediately on an appointment, as per the provisions of the Code.
29. That the Interim Resolution Professional shall perform the duties as assigned under Section 15 and Section 18 of the Code and inform the progress of the Resolution Process and the compliance of the

directions of this Order within 30 days to this Bench. A liberty is granted to intimate even at an early date, if need be.

30. Ordered Accordingly.

Sd/-
Chandra Bhan Singh
Member (Technical)

Sd/-
Janab Mohammed Ajmal
Member (Judicial)