



DIVISION BENCH
COURT - I

**NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH
KOLKATA**

CP (IB) No. 203/KB/2025

**CORAM: 1. HON'BLE MEMBER(J), SMT. BIDISHA BANERJEE
2. HON'BLE MEMBER(T), CMDE SIDDHARTH MISHRA**

IN THE MATTER OF	UCO Bank Versus Akshara Highrise Private Limited
UNDER SECTION	IBC under Sec 7

SUO MOTU CORRIGENDUM ORDER

1. Matter was not on Board today. The matter is taken on board suo moto. This order is issued in terms of Rule 154(1) of the National Company Law Tribunal Rules, 2016, for correction of the order dated 06.05.2026 in **Company Petition (IB) No. 203/KB/2025** since some clerical/typographical error which has crept in inadvertently in the said order.
2. In the order dated 06th May, 2026, the following corrections to the order are made:
 - 2.1. In para 11, which records '**Company Petition (IB) No. 24/KB/2025**', will read as '**Company Petition (IB) No. 203/KB/2025**'.
 - 2.2. In para 11.1., which wrongly records, "The Petition filed by **Aditya Birla Finance Limited** (Financial Creditors), under Section 7 of the Insolvency & Bankruptcy Code, 2016, is hereby, ADMITTED for initiating the Corporate Insolvency Resolution Process in respect of **M/s. Priya Food Products Limited (Corporate Debtor)**.", will read as "The Petition filed by **UCO Bank** (Financial Creditors), under Section 7 of the Insolvency & Bankruptcy Code, 2016, is hereby, ADMITTED for initiating the Corporate Insolvency Resolution



Process in respect of **Akshara Highrise Private Limited** (Corporate Debtor).”

- 2.3. In para 13, which wrongly records as “Post the Company Petition on _____ for filing the Periodical Progress Report by the IRP/RP as appointed herein.”, will read as “Post the Company Petition on **10.06.2026** for filing the Periodical Progress Report by the IRP/RP as appointed herein.”
3. Rest of the **Pronounced Order dated 06.05.2026** will remain unchanged.

Cmde Siddharth Mishra
Member (Technical)

Bidisha Banerjee
Member (Judicial)



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

IN THE MATTER OF:
UCO Bank

... Financial Creditor/ Petitioner.

Versus

Akshara Highrise Private Limited

... Corporate Debtor/ Respondent.

Date of Pronouncement: 06/05/2026.

Coram:

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

Appearance:

For the Financial Creditor:

Mr. Rahul Auddy, Adv.
Mr. Aditya Gooptu, Adv.
Mr. Arpan Laha, Adv.

For Corporate Debtor:

Mr. Shaunak Mitra, Adv.
Mr. Aditya Kanodia, Adv.
Mr. Dripto Majumdar, Adv.
Ms. Suparna Sardar, adv.
Mr. Pratik Dutta, Adv.

ORDER

Per: Cmde Siddharth Mishra, Member (Technical)

1. This Court congregated through hybrid mode.

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2. Heard the Learned Counsels for both parties.

3. ***Factual Matrix:***

3.1 The present application has been filed by the Financial Creditor 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 Akshara Highrise Pvt. Ltd., as the corporate guarantor of M/s Nandini Impex Pvt. Ltd., the principal borrower.

3.2 It is stated that credit facilities were sanctioned to the principal borrower since 2001 and were renewed/restructured on 28.06.2012 and further restructured on 28.09.2012. The Corporate Debtor executed a Letter of Guarantee dated 28.09.2012 in favour of the Financial Creditor.

3.3 The principal borrower’s account was classified as NPA on 30.09.2012. A notice under Section 13(2) of the SARFAESI Act dated 01.10.2020 was issued to the principal borrower and the Corporate Debtor. CIRP against the principal borrower was admitted by this Tribunal on 20.09.2022.

3.4 The Financial Creditor claims total debt due and payable as on 31.10.2020 as Rs. 4,52,08,22,525.31/-. The Corporate Debtor contests the maintainability on the grounds of the correct date of default, limitation and the bar under Section 10A of the IBC.

4. ***Admitted Facts***

4.1 It is submitted that the Corporate Debtor executed a Letter of Guarantee dated 28.09.2012 and is jointly and severally liable for the financial debt due from the principal borrower.

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4.2 It is claimed that the principal borrower committed defaults and the account was classified as NPA on 30.09.2012 and therefore the date of default of the Corporate Debtor, being the corporate guarantor, is co-extensive with the date of default of the principal borrower.

4.3 It is contended that the petition is within limitation since the debt was acknowledged from time to time by the principal borrower in its balance sheets for FY 2014 to 2019 and such acknowledgements are recorded in the admission order dated 20.09.2022 in the CIRP of the principal borrower.

4.4 It is further submitted that the Corporate Debtor has also acknowledged the debt and the balance sheets for FY 2023 and FY 2024 disclose the liability as a contingent liability, which extends limitation. The terms of the Limitation Act, 1963 reads as follows:

18. Effect of acknowledgment in writing. —

(1) Where, before the expiration of the prescribed period for a suit or application in respect of any property or right, an acknowledgment of liability in respect of such property or right has been made in writing signed by the party against whom such property or right is claimed, or by any person through whom he derives his title or liability, a fresh period of limitation shall be computed from the time when the acknowledgment was so signed.

(2) Where the writing containing the acknowledgment is undated, oral evidence may be given of the time when it was signed; but subject to the provisions of the Indian Evidence Act, 1872 (1 of 1872), oral evidence of its contents shall not be received.

Explanation.—For the purposes of this section,—

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(a) an acknowledgment may be sufficient though it omits to specify the exact nature of the property or right, or avers that the time for payment, delivery, performance or enjoyment has not yet come or is accompanied by a refusal to pay, deliver, perform or permit to enjoy, or is coupled with a claim to set off, or is addressed to a person other than a person entitled to the property or right, (b) the word “signed” means signed either personally or by an agent duly authorised in this behalf, and

(c) an application for the execution of a decree or order shall not be deemed to be an application in respect of any property or right.

4.5 It is submitted that the Financial Creditor is entitled to proceed against the corporate guarantor without exhausting remedies against the principal borrower and the application deserves admission.

5. SUBMISSIONS OF THE FINANCIAL CREDITOR

5.1 It is submitted that the present Application has been filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor and total debt payable by the Corporate Debtor, as on 31st October 2020, is Rs. 4,52,08,22,525.31 as reflected from the Statement of Account.

5.2 It is further submitted that Nandini Impex Private Limited is the principal borrower to whom various credit facilities have been granted by UCO Bank since the year 2001, the said credit facilities were last renewed/restructured on 28.06.2012 vide sanction letter, whereby the existing limits were renewed and further restructured

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pursuant to a Restructuring Proposal at the request of the Directors and Promoters of the Principal Borrower on 28.09.2012.

5.3 It is submitted that in consideration of the Financial Creditor agreeing to renew and restructure the credit facilities, Corporate Debtor executed a Letter of Guarantee dated 28.09.2012, the Principal Borrower thereafter committed defaults in and consequently the Loan account of the Principal Borrower was classified as NPA on 30.09.2012.

5.4 In or around October 2018, the Principal Borrower approached the Financial Creditor for a compromise/restructuring of the loan, the Financial Creditor agreed to the same, wherein the compromise amount was to be paid in six equal half-yearly instalments from March 2019 to September 2021. However, the Principal Borrower failed to adhere to the said terms and admitted its financial distress vide letter dated 16.01.2025.

5.5 Owing to continued defaults, the Financial Creditor issued a Notice under Section 13(2) of the SARFAESI Act, 2002 on 1st October 2020 to the Principal Borrower as well as to the Corporate Debtor, calling upon them to pay the entire dues.

5.6 Thereafter, the Financial Creditor filed a Section 7 Application under the IBC against the Principal Borrower, which was admitted by this Hon'ble Tribunal vide order dated 20.09.2022, and CIRP was initiated against the Principal Borrower. Pursuant to this, the Financial Creditor filed its claim before the Resolution Professional of the Principal Borrower and has been admitted as the sole member of the Committee of Creditors with 100% voting share.

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5.7 It is further submitted that the date of default of the Corporate Debtor, is co-extensive with the date of default of the Principal Borrower, i.e., 30.09.2012, in view of Section 128 of the Indian Contract Act, 1872.

5.8 It is further submitted that the petition is well within the period of limitation as prescribed under the Limitation Act, 1963, since the debt has been acknowledged from time to time by the Financial Creditor in its balance sheets for the financial years 2014, 2015, 2016, 2018, 2018 and 2019, as recorded in the admission order dated 20.09.2022.

5.9 The Corporate Debtor has also acknowledged the said debt, and in its, Reply affidavit, has admitted that the Principal Borrower acknowledged the liability of the Financial Creditor in its Balance sheet for the Financial year ended 2021. The balance sheets of the Corporate Debtor for the Financial years ended 2023 and 2024, annexed with the Rejoinder Affidavit, clearly acknowledge the debt of the Financial Creditor as a contingent liability.

5.10 It is submitted that it is a settled position of law that the liability of a guarantor is co-extensive with that of the Principal Debtor, unless otherwise provided in the contract, in terms of Section 128 of the Indian Contract Act, 1872. Therefore, it is submitted that the Corporate Debtor and the Principal Borrower are jointly and severally liable for repayment of the outstanding financial debt, and the default committed by the Principal Borrower squarely attracts the liability of the Corporate Debtor as a Corporate Guarantor.

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5.11 It is also submitted that the date of default of the Corporate Debtor is the same as that of the Principal Borrower, i.e., 30.09.2012, when the loan account was declared NPA.

5.12 It is contended that the Financial Creditor is entitled to proceed against the Corporate Guarantor without first exhausting remedies against the Principal Borrower and therefore the petition deserves admission.

6. SUBMISSIONS OF THE CORPORATE DEBTOR

6.1 It is submitted that the Financial Creditor's attempt to treat the principal borrower's default date as the Corporate Debtor's default date is incorrect and contrary to law.

6.2 It is contended that in terms of the Letter of Guarantee dated 28.09.2012, the Corporate Debtor undertook to pay "on demand" and the guarantee is invocable only upon a demand in writing. Accordingly, default, if any, arises only upon invocation/demand and not on the date of NPA of the principal borrower.

6.3 It is claimed that the guarantee was invoked by the Financial Creditor through the notice dated 01.10.2020 under Section 13(2) of the SARFAESI Act and the Financial Creditor has admitted that invocation was on 01.10.2020.

6.4 It is further submitted that if the default date is 01.10.2020, then the petition is barred by Section 10A of the IBC and is not maintainable.

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6.5 It is contended that the petition is filed as a recovery mechanism, which is impermissible under the IBC, and the pleadings of the Financial Creditor disclose such intent.

6.6 It is submitted that reliance on the Corporate Debtor's balance sheet for FY ended 31.03.2024 is misplaced and cannot be treated as an acknowledgement of the alleged debt. It is further contended that the "long-term borrowings" figure relied upon is unrelated, below threshold, and in any event cannot overcome the bar under Section 10A.

6.7 It is further submitted that reliance on the principal borrower's balance sheets is also misconceived since the last balance sheet filing is FY 2020-2021 and the present petition has been filed on 05.08.2025, beyond three years therefrom.

7. *Analysis and Findings*

7.1 Under Section 7 of the IBC, the Adjudicating Authority is required to ascertain the existence of a financial debt and occurrence of default. If default is established and the application is complete, admission ordinarily follows, subject to limitation and other statutory bars.

7.2 The Principal Borrower (M/s Nandini Impex Private Limited) is already admitted into CIRP vide order dated 20th September 2022, in view of a Section 7 Application filed against the Principal Borrower by the Financial Creditor (UCO Bank). The date of default mentioned therein is 30th September 2012.

7.3 It is the settled law that the liability of a guarantor is co-extensive with that of the principal debtor, unless otherwise provided in the

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contract, in terms of Section 128 of the Indian Contract Act, 1872 which reads as under:

“Section 128: Surety’s liability. —The liability of the surety is co-extensive with that of the principal debtor, unless it is otherwise provided by the contract.”

Hence the date of default of the Corporate Debtor, being the Corporate Guarantor, is co-extensive with the date of default of the Principal Borrower, i.e., 30th September 2012, in view of the Section 128 of the Indian Contract Act, 1872.

7.4 Admittedly the debt has been acknowledged from time to time by the Principal Borrower in its Balance Sheets for the financial years 2014, 2015, 2016, 2017, 2018 and 2019, as recorded in the admission order dated 20th September 2022.

7.5 The Corporate Debtor has also acknowledged the said debt, and in its Reply Affidavit, has admitted that the Principal Borrower acknowledged the liability of the Financial Creditor in its Balance Sheet for the financial year ended 2021. Hence there is no gainsaying that the default is hit by Section 10A of the Insolvency and Bankruptcy Code, 2016.

7.6 The Financial Creditor is legally entitled to proceed against the Corporate Debtor even without first exhausting remedies against the Principal Borrower. Hence, the present Corporate Guarantor and the Principal Borrower are jointly and severally liable for repayment of the outstanding financial debt, and the default committed by the Principal Borrower squarely attracts the liability of the Corporate

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Debtor as a Corporate Guarantor. Here it would be apt to quote the a few decisions in which it has been consistently held that if a default that has occurred before 10A period and continued during or after 10A, it can be a reason for admitting petition under Section 7.

7.7. In the matter of **‘NuFuture Digital (India) Limited’ Vs. ‘Axis Trustee Services Ltd** in [Comp. App. (AT) (INS) No. 444/2023], decided on 09.05.2023, wherein paragraph 20, 21, 24, the Appellate Tribunal laid down the following:

“20. Present is a case where date of default is claimed as 31.03.2021 in Part IV of the application and the application is filed including the default amount as per the Debenture Trust Deed, Schedule V, the default from 31.03.2021 onwards. We have noticed Para 5 of Reply to the application where it was clearly stated that while the total claim would be higher, the present Petition is filed only with respect to the default committed after the 10A period was over i.e. for the default on 31st March 2021 and thereafter. What is prohibited by Section 10A is that no application shall ever be filed for the default which occurred during the period of Section 10A i.e. from 25th March, 2020 to 25th March, 2021. Section 10A has no application when an action is initiated for default which occurred subsequent to 10A period. Section 7 application as well as Reply filed to I.A. No. 34/2022 clearly indicate that Section 7 application which was filed by the Financial Creditor was confined to the default committed by the Appellant on 31.03.2021 and thereafter. In Para 7 of the Reply total calculations have been mentioned for arriving at the default amount of Rs.210,46,66,250/-. The defaulted amount

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included for the calculation are the defaulted amount beginning from 31.03.2021 till end of December, 2023. No defaulted amount included in the Section 7 application is for the period covered by Section 10A, hence, there is no occasion to hold that Section 7 application is barred by Section 10A 21. The Notice dated 22.10.2020 in no manner can affect the right of the Financial Creditor to file Section 7 application, which was based on default committed on 31.03.2021 and thereafter.....”

7.8 In *SREI Equipment Finance Ltd Vs. Rs Kamthe Infrastructure Developers Pvt Ltd*, [(2026) ibclaw.in 83 NCLAT] the holding was premised upon the holding in *NuFuture Digital (India) Limited’ Vs. ‘Axis Trustee Services Ltd* in [Comp. App. (AT) (INS) No. 444/2023]

“11. The above judgments clearly support the submissions of the appellant that when the Section 7 application is based on default committed subsequent to Section 10A period and the amount claimed subsequent to Section 10A period is well beyond threshold, application cannot be rejected on the ground that it is barred by Section 10A application. We only clarify that Section 7 application filed by the appellant has to confine to the default committed subsequent to Section 10A period.

12. In view of the aforesaid, we are of the view that order of the adjudicating authority rejecting the application as barred by Section 10A cannot be sustained. The impugned order dated 02.11.2023 is set aside. It is held that application is not barred by Section 10A.”

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7.9 The appellate Tribunal had a similar view in the case of **Nitin Chandrakant Desai v. Edelweiss Asset Reconstruction Ltd. & Anr.**, [(2023) ibclaw.in 486 NCLAT] held that :

“6. The Adjudicating Authority has noticed and returned a finding that the default recorded in the NESL is 31.01.2020. The default on 31.01.2020 is obviously prior to the Section 10 A period. When default has been committed by the Corporate Debtor prior to Section 10A period, any default committed during the Section 10A period cannot be held to bar the application which is filed on the basis of default prior to Section 10A and subsequent to Section 10A period.”

7.10 In the case of **Ramesh Kymal Vs. Siemens Gamesa Renewable Power Pvt. Ltd.** [(2021) ibclaw.in 08 SC], the Hon'ble Supreme Court held that:

“20. The substantive part of Section 10A adverts to an application for the initiation of the CIRP. It stipulates that for any default arising on or after 25 March 2020, no application for initiating the CIRP of a corporate debtor shall be filed for a period of six months or such further period not exceeding one year “from such date” as may be notified in this behalf. The expression “from such date” is evidently intended to refer to 25 March 2020 so that for a period of six months (extendable to one year by notification) no application for the initiation of the CIRP can be filed. The submission of the appellant is that the expression “shall be filed” is indicative of a legislative intent to make the provision prospective so as to apply only to those applications which were filed after 5 June 2020 when

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the provision was inserted. Such a construction cannot be accepted.

23. The proviso to Section 10A stipulates that “no application shall ever be filed” for the initiation of the CIRP “for the said default occurring during the said period”. The expression “shall ever be filed” is a clear indicator that the intent of the legislature is to bar the institution of any application for the commencement of the CIRP in respect of a default which has occurred on or after 25 March 2020 for a period of six months, extendable up to one year as notified. The explanation which has been introduced to remove doubts places the matter beyond doubt by clarifying that the statutory provision shall not apply to any default before 25 March 2020. The substantive part of Section 10A is to be construed harmoniously with the first proviso and the explanation. Reading the provisions together, it is evident that Parliament intended to impose a bar on the filing of applications for the commencement of the CIRP in respect of a corporate debtor for a default occurring on or after 25 March 2020; the embargo remaining in force for a period of six months, extendable to one year. Acceptance of the submission of the appellant would defeat the very purpose and object underlying the insertion of Section 10A. For, it would leave a whole class of corporate debtors where the default has occurred on or after 25 March 2020 outside the pale of protection because the application was filed before 5 June 2020.”

7.11 In ***Dharmesh S Jain Vs. SREI Equipment Finance Pvt Ltd***, [2023 SCC OnLine NCLAT 6] where default was both during 10A

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period and subsequent to Section 10A period. In paragraph 12, following was noticed:

“12. Now we come to the question of debt and default. The Adjudicating Authority in the impugned order in paragraph 8 of the judgment has held that default on or after 05.04.2020 was for an amount of Rs.1,12,73,387/-. The learned counsel for the financial creditor submitted that even after the period covered by Section 10A came to an end, no payments are yet been made to the Financial Creditor by the Corporate Debtor. It is submitted by Financial Creditor that huge dues have been accumulated against the corporate debtor as on date. In the 3rd status report, the IRP has stated that in pursuance of the Public Announcement claims of Financial Creditors have been received of Rs. 1930 crores in addition to claims of homebuyers of Rs. 29,43,69,469/- . There is no material brought on record except to the letter of the Swamih Investment Fund dated 03.06.2021, which provided for approval of fund subject to several conditions. The Financial Creditor submits that one of the condition was that NOC of Financial Creditor was required to be obtained, whereas no NOC have been obtained from Financial Creditor for the said fund.”

7.12 In **Axis Trustee Services Ltd. v. Rivaaz Trade Ventures Pvt. Ltd.**, [(2025) ibclaw.in 377 NCLT], the Hon’ble Appellate Tribunal held as under, extracted with supplied emphasis for clarity :

“5.8 Be that as it may, it is now well-settled that Section 10A will have no bearing on defaults occurring after the expiry of

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the prohibited period. In view of the above, we find merit in the Respondent/FC's contention that since the Applicant/CD had already committed multiple defaults not only during the suspension period covered by Section 10A but also beyond such period, there is no bar against the Respondent/FC from preferring application under Section 7, based on the subsequent defaults not covered by the prohibited period, when the defaults fall within the prescribed threshold limit under Section 4 of the IBC. Merely because the Applicant/CD committed default during the Section 10A period, it cannot be said that the Respondent/FC is barred from filing application under Section 7 on the basis of default subsequent to Section 10A period. In other words, there is no embargo under Section 7 of the IBC, preventing the Respondent/FC from approaching the Adjudicating Authority (AA) on the occurrence of a default subsequent to the prohibited period. The Hon'ble NCLAT, in the matter of a related entity of the Applicant/CD, NuFuture Digital (I) Ltd. [NuFuture Digital (I) Ltd. Vs. Axis Trustee Services Ltd., [(2023) SCC OnLine NCLAT 242] held, on more or less similar facts, that Section 10A has no application to the defaults which occurred subsequent to the suspension period. Therefore, when a subsequent default takes place in the post-suspension period, the Applicant/CD cannot claim that the Respondent/FC is attempting to shift the date of default or that the subsequent notice dated 01.07.2022, is contradictory to the previous notice dated 22.10.2020.

5.9 In the present case, it is noticed from the record that the Applicant/CD committed another default on 30.03.2021, in redemption of NCDs amounting to Rs.5 Crore as per the redemption terms contained in Schedule-IV of the DTMD. Since

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the aforesaid default took place on 30.03.2021, after the prohibited period ended on 24.03.2021, it cannot by any stretch of imagination be said that the Main Application is barred under Section 10A of the IBC.”

7.13 In the case of **Harish Raghavji Patel v. Clearwater Capital Partners Singapore Fund IV Pvt. Ltd. and Ors.**, [(2023) ibclaw.in 819 NCLAT] the Hon’ble NCLAT observed and clearly held as follows :

“8. In the Appeal, the Appellant has himself brought the said table as Annexure A-3 to the Appeal at Page 194 to 199. When we look into the table annexed along with the Appeal, it is clear that under the Debenture Trust Deed, principal amount was due on 31st December, 2020 whereas interest accrued month to month after issuance of Debenture Trust Deed. The table indicates that default of principal and interest accrued both during 10A period and subsequent to 10A period.

9. The Law is well settled that no application for initiating proceedings under Section 7 can be initiated for default which is committed during Section 10A period. In this context, we refer to the Judgment of Hon’ble Supreme Court in Ramesh Kymal Vs. Siemens Gamesha Renewable Power Pvt. Ltd., (2021) 3 SCC 224, but the question which is up for consideration is as to whether application under Section 7 which was filed on basis of default as on 1st June, 2021 is hit by Section 10A.

10. It is well settled that when default is committed during Section 10A period and subsequent to Section 10A period,

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application is fully maintainable for any default subsequent to Section 10A period.”

(Emphasis Added)

7.14 Having noted the implication of the aforesaid decision, this very Bench had allowed initiation of CIRP against a Corporate Debtor in **SREI Equipment Finance Limited v. Attivo Economic Zone (Kolkata) Private Limited.** [Company Petition (IB) No. 187/KB/2024 where this Bench Observed that:

“A financial facility may witness multiple payment obligations and multiple defaults. The Code requires the Adjudicating Authority to see whether a financial debt is due and whether a default has occurred. If an instalment due on 30.06.2023 is unpaid, that is a default in itself. The petition does not become non-maintainable merely because the borrower alleges an earlier default date on a different component (interest) that might fall in a barred period, particularly when the petition is based on a later independent default.

(Emphasis Added)

8. As noted above the date of default of the Corporate Debtor being the same as that of the Principal Borrower, i.e., 30th September 2012, when the loan account was declared NPA and subsequently being acknowledged long after 10A period, the present petition is not hit by Section 10A bar.

9. Further, admittedly the Balance sheets of the Corporate Debtor for the financial years ended 2023 and 2024, annexed with the Rejoinder Affidavit, clearly acknowledge the debt of the Financial Creditor as a contingent liability; hence, the present petition is not barred by Limitation.

10. Hence, the Application filed under section 7 of the IBC, 2016, for

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initiation of corporate insolvency resolution process against the Respondent/Corporate Debtor deserves to be **admitted**.

11. In terms of the foregoing discussion, we **ALLOW** the petition bearing Company Petition (IB) No. **24/KB/2025** filed under Section 7 of the IBC, 2016, and accordingly, we order the initiation of Corporate Insolvency Resolution Process (“**CIRP**”) in respect of the Corporate Debtor by the following Orders:

11.1. The Petition filed by Aditya Birla Finance Limited (Financial Creditors), under Section 7 of the Insolvency & Bankruptcy Code, 2016, is hereby, **ADMITTED** for initiating the Corporate Insolvency Resolution Process in respect of M/s. Priya Food Products Limited (Corporate Debtor).

11.2. As a consequence of this Petition being admitted in terms of Section 7 of the IBC, 2016, 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, terms of Section 14(2) to 14(3) of the Code shall come into force.

11.3. Moratorium under Section 14 of the IBC, 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

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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;]

11.4. 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.

11.5. 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.

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11.6. The Applicant has proposed the name of **Mr. Kanchan Dutta**, having Registration No. **IBBI/IPA-001/IP-P00202/2017-18/10391** (Email ID: kanchan@kgrs.in) as the Interim Resolution Professional (“**IRP**”). We have perused that there is a written communication and consent of IRP in Form- 2 with Declaration, annexed at pages 22-23 and 46-47 to the petition, as per the requirement of Rule 9(l) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. In addition, further necessary disclosures have been made by “**Kanchan Dutta**” as per the requirement of the IBBI Regulations. Accordingly, he satisfies the requirement of Section 7(3)(b) of the code. Hence, we appoint “**Kanchan Dutta**” as the Interim Resolution Professional (IRP) of the Corporate Debtor to carry out the functions as per the IBC 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 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. The Registration Certificate of the IP is valid upto 31.12.2026 as reflected on the IBBI Website.

11.7. 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 IBC, 2016, shall be made immediately. The expression immediately means within three days as clarified by

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Explanation to Regulation 6 (1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

- 11.8.** During the CIRP 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 IBC, 2016. 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.
- 11.9.** 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 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.
- 11.10.** 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.
- 11.11.** The Financial Creditors shall be liable to pay to IRP a sum of **Rs. 3,00,000** /-(Rupees Three Lakhs only) as payment to meet the cost of CIRP arising out of issuing public notice and inviting claims etc., 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).

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11.12. 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.

11.13. 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), Kolkata to whom the company is registered with, by all available means for updating the Master Data of the Corporate Debtor.

11.14. 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.

11.15. 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.

11.16. The order of moratorium shall cease to have effect as per Section 14(4) of the I&B Code.

12. 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.

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13. Post the Company Petition on _____ for filing the Periodical Progress Report by the IRP/RP as appointed herein.

**Cmde Siddharth Mishra
Member (Technical)**

**Bidisha Banerjee
Member (Judicial)**

The Order signed on this, the 6th day of May 2026.

Sagar M. (LRA)