

**IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ**

CP(IB) No. 3/ALD/2025

(An application under Section 7 of the Insolvency & Bankruptcy Code, 2016 read with Rule 4 of Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

IN THE MATTER OF:

**M/S MICRO UNITS DEVELOPMENT AND REFINANCE
AGENCY LIMITED**

THROUGH ITS AUTHORIZED OFFICER

Shailesh Kumar MINZ (AGM)

Having Registered Office At:

Plot No. C-11, 'G' Block,
Bandra Kurla Complex, Bandra (EAST),
MUMBAI, MAHARASHTRA, INDIA, 400051
Email: snigdha@mudra.org.in

.... APPLICANT / FINANCIAL CREDITOR

Versus

M/S MARGDARSHAK FINANCIAL SERVICES LIMITED

Having Registered Office At:

118, Dayal Farms, Ganeshpur-Rehmanpur
Chinhat-Deva Road, Lucknow-226019, Uttar Pradesh
Email: cs@argdarshak.org.in, hr@margdarshak.org.in

.....RESPONDENT / CORPORATE DEBTOR

Order pronounced on 11.06.2025

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Coram:

Mr. Praveen Gupta : Member (Judicial)
Mr. Ashish Verma : Member (Technical)

Appearances:

Ms. Pinki, Adv.: : *For the Financial Creditor*
Corporate Debtor: : *Ex-parte v.o.d. 29.04.2025*

ORDER

1. This Application has been filed on 08.12.2024 by M/s Micro Units Development and Refinance Agency Limited (hereinafter referred as “***Applicant / Financial Creditor***”) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred as “***IBC***”) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016 against M/s Margdarshak Financial Services Limited (hereinafter referred as “***Respondent/Corporate Debtor***”) in Form 1 containing all the information as required in Part I, II, III, IV and V of the Form showing a total financial debt of Rs. 6,15,26,697/- (as on 14.11.2024), with the date of default as specified in the application being 10.02.2021.

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2. The Corporate Debtor i.e. M/s Margdarshak Financial Services Limited with CIN No. U65921UP1996PLC019924 is having registered office at 118, Dayal Farms, Lucknow-226019 and therefore, this tribunal has jurisdiction to decide this application.
3. As per the details provided in Part-IV of the Application, the Financial Creditor sanctioned Two Term Loans, details of which are given below:

S.No	Nature of Loan	Amount of Loan (Rs.)	Loan A/C Reference No.	Date of Sanction
1.	Term Loan	10,00,00,000	001200605000032	22.03.2018
2.	Term Loan	7,00,00,000	01200605000063	23.10.2019
TOTAL		17,00,00,000/-		

4. Dates of disbursement are detailed in the table below:

Loan A/c No	001200605000032	01200605000063
Date of Sanction	22.03.2018	23.10.2019
Date of Disbursement	20.03.2018	31.10.2019
Amount of Disbursement	10 crores	7 crores
Date of Default	10.03.2021	10.02.2021
Default of amount as of 14.11.2021	43,81,249	5,71,45,376
Total Default Amount	6,15,26,697	

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5. Further, with respect to Loan Account No. 001200605000063, the Corporate Debtor duly made payments towards instalments, interest, and other charges which fell due up to 10.01.2021. However, the Corporate Debtor has failed to discharge its obligation to pay all the instalments which fell due with effect from 10.02.2021. Hence, the date of default for the purpose of this loan is 10.02.2021 i.e., the date when installment due was not paid by the Corporate Debtor. The relevant excerpts from the Loan Agreement with respect to the repayment terms of Term Loan of Rs. 7,00,00,000/- are reproduced below:

“2.5 REPAYMENT

The Borrower undertakes to repay the principal amount of the Loan in accordance with the Authorization Schedule set forth below, with the first installment commencing after 3 months from the date of first disbursement of loan, with due date being 10th of the month and subsequent installments falling due on 10th of every subsequent calendar month.

However, terminal date for repayment of loan shall not extend beyond June 10, 2022 from the date of first disbursement of loan.”

6. As submitted by the Applicant that with respect to Loan Account No. 001200605000032, the Corporate Debtor duly made payments towards instalments, interest, and other charges which fell due up to

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10.02.2021. However, the Corporate Debtor has failed to discharge its obligation to pay all the instalments which fell due with effect from 10.03.2021. Hence, the date of default for the purpose of this loan is 10.03.2021 i.e., the date when installment due was not paid by the Corporate Debtor. The relevant excerpts from the Loan Agreement with respect to the repayment terms of Term Loan of Rs. 10,00,00,000/- are reproduced below:

“2.5 REPAYMENT

The Borrower undertakes to repay the principal amount of the Loan in accordance with the Authorization Schedule set forth below, with the first installment commencing after 3 months from the date of first disbursement of loan, with due date being 10th of the month and subsequent installments falling due on 10th of every subsequent calendar month.”

7. As submitted, thereafter, the Corporate Debtor continuously committed default in payment of instalment and interest. The Corporate Debtor has not paid even a single instalment or interest due since the instalments became due till the date of filing of the application.
8. The Applicant further submits that despite repeated reminders made by the Applicant, the Corporate Debtor has failed to discharge the dues of the Applicant and consequentially, the account of the

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Corporate Debtor was classified as Non-Performing Assets (NPA) on 11.05.2021 in the books of the Applicant i.e. after 90 days from the date of default i.e. 10.02.2021 in loan A/c 001200605000063.

9. The Financial Creditor had recalled the entire unpaid amount of Debt due as on 10.02.2021 vide loan recall notice dated 11.06.2021 and issued notice. The relevant excerpts from the recall notice dated 11.06.2021 are reproduced below:

“8. Accordingly, MUDRA hereby declares in writing that the entire outstanding principle amount of the said Financial Assistance, together with interest, further interest, penal interest and all other monies due, aggregating to Rs. 4,43,65,085/- (Rupees Four Crore Forty-three Lakh Sixty-Five Thousand Eighty-Five Only) have become immediately due and payable by the Borrower to MUDRA. The particulars of the said aggregate sum of Rs. 4,43,65,085/- ((Rupees Four Crore Forty-three Lakh Sixty-Five Thousand Eighty-Five Only) loan-wise, are given in the Appendix – IV hereto.

.....

10. MUDRA, therefore, advise the Borrower that if MUDRA does not receive the entire dues amounting to of Rs.4,43,65,085/- (Rupees Four Crore Forty-three Lakh Sixty-Five Thousand Eighty-five Only) on or before 26.06.2021, together with interest thereon, MUDRA will be constrained to take appropriate legal action, both civil and criminal, against the Borrower and Guarantor(s) and

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also take steps for sale of secured assets for recovery of the above dues, entirely at the Borrower's risk as to costs and consequences thereof."

10. The security interest created under both loan accounts, has been clearly specified in the loan documents and is also reflected in the Appendix II attached with the recall notice dated 11.06.2021. The relevant details of the particulars of secured assets are as under:

"[Margdarshak Financial Services Limited]

Particulars of the Secured Assets:

Loan Account No: 001200605000032: [Rs.10 Crore]

Primary Security

Exclusive First charge by way of hypothecation on all the book debts and receivables of the Borrower, covered under the term loan availed from MUDRA.

Collateral Security

Lien on Term Deposit Receipts (TDRs)

The borrower shall deposit with MUDRA duly discharged Term Deposit Receipts (TDRs) issued by any scheduled commercial bank for an amount equivalent to 5% (Rs.10 Crore) of the loan amount disbursed from time to time as security for the due repayment of the loan with interest and all other monies due from time to time. Further, said TDR is to be lien marked in favour of MUDRA and other formalities are to be completed. [FRD since liquidated]

Personal Guarantee of:

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Shri Rahul Jessel Mitra, Director and Smt. Saroj Mittra, Director of Margdarshak Financial Services Limited.

Loan Account No: 001200605000063: [Rs.7 Crore]

Primary Security

Exclusive First charge by way of hypothecation on all the book debts and receivables of the Borrower, covered under the term loan availed from MUDRA.

Collateral Security

Lien on Term Deposit Receipts (TDRs)

The borrower shall deposit with MUDRA duly discharged Term Deposit Receipts (TDRs) issued by any scheduled commercial bank for an amount equivalent to 5% (Rs.7 Crore) of the loan amount disbursed from time to time as security for the due repayment of the loan with interest and all other monies due from time to time. Further, said TDR is to be lien marked in favour of MUDRA and other formalities are to be completed. [FRD since liquidated]

Personal Guarantee of:

Shri Rahul Jessel Mitra, Director and Smt. Saroj Mittra, Director of Margdarshak Financial Services Limited.”

- 11.** It is further submitted by the Applicant that the Corporate Debtor's management has not even filed the financial statements with the Registrar of Companies since 31.03.2020, additionally, the Reserve Bank of India (RBI) has issued a press release dated 22.08.2024 thereby cancelling the certificate of registration of the Corporate Debtor as an

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NBFC, even the Directors have not come forward for participation in their personal insolvency matters.

12. It is also submitted that the application for initiation of Personal Insolvency of the Personal Gurantors (who are also the Directors) of the Corporate Debtor, namely Mr. Rahul Jessel Mitra and Mrs. Saroj Topno has also been filed by Small Industries Development Bank of India (SIDBI) and the said applications were admitted by this Tribunal vide order dated 31.07.2024. (Copy of the order attached as Annexure 2 (COLLY) with the present application).

13. The total outstanding amount in default as of 14.11.2024 is tabulated herein below:

Particulars	Loan No. 001200605000032 (Term Loan) (Rs.)	Loan No. 00120060500 0063 (Term Loan) (Rs.)	Total Dues (Rs.)
Loan Amount Disbursed	10,00,00,000	7,00,00,000	17,00,00,000
Principal Outstanding	30,24,000	4,02,57,613	4,32,81,613
Interest Overdue considered up to 14.11.2024	1,60,062	18,93,870	20,53,932
Penalty on Receivables till 14.11.2024	2,63,908	31,49,968	34,13,876
Total	Total Dues		6,15,26,697

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14. On account of the constant default in repayment of Financial Facilities, the Financial Creditor proceeded with filing this application seeking initiation of CIRP against the Corporate Debtor.
15. This Tribunal vide order dated 14.02.2025 directed the applicant to serve a Notice issued by the Registry to the Respondent / Financial Creditor i.e., M/s. Margdarshak Financial Services Limited and file affidavit of service. In compliance thereof, the Applicant filed an affidavit vide diary no. 0902109013592024/1 dated 24.03.2025 and stated therein that copy of notice issued by the Registry along with the petition filed under section 7 of IBC, 2016 has been served through email on 05.03.2025 and the email has not bounced.
16. In the said affidavit, the Applicant also submitted that the Notice was sent through speed post on 05.03.2025, but the same was not delivered to the Respondent and the notice sent by post was returned with remark "addressee left without instruction, hence, service of notice through speed post was attempted again on 11.03.2025, but the same was returned back to the sender with remarks "Addressee left without instructions."
17. As submitted by the Applicant, subsequently, the service of Notice through Courier (Blue Dart) was also attempted on 11.03.2025 but the

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same has been returned back to the sender with remarks “Consignee (C’Nee) Shifted from the Given Address.”

18. Further, the service of Notice through Dasti mode was attempted on 13.03.2025. Since, no person was found at the registered office of the Corporate Debtor, notice was affixed on the wall of the building of the Registered Office at a conspicuous place. A notice was also published on 20.03.2025, for intimation to the Respondent of the present matter and the next date of hearing, in one English Newspaper i.e., Financial Express and other in Hindi Newspaper i.e. Jansatta.
19. However, as the Corporate Debtor failed to appear despite service through multiple modes, and no justifiable reason for non-appearance was placed on record, this Tribunal, vide order dated 29.04.2025, proceeded ex parte against the Corporate Debtor. The said order is reproduced below:

“

ORDER

1. Ld. Counsel representing Financial Creditor is present physically, who states that the service has been affected upon the Corporate Debtor by way of all modes including the newspaper publication. She also refers to the affidavit of service filed on behalf of the Financial Creditor, wherein the newspaper publication has been attached at page nos.23 & 24, and this publication has been made on 20.03.2025 in two newspapers. 2. Despite the notices

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having already been served upon the Corporate Debtor by all modes, there is no representation on behalf of the Corporate Debtor nor any reply has been filed so far.

3. In view thereof, the Corporate Debtor is set ex-parte and the matter is adjourned for ex-parte hearing on 30th May, 2025.”

20. After setting the Corporate Debtor ex-parte, we have heard the Ld. Counsel for the Applicant and also perused the records and examined the pleadings filed before us. The main issues which are before us to be decided in respect of the present Application u/s 7 are:

- i.** Whether the application is barred by Section 10A
- ii.** Whether the application is filed within the period of limitation.
- iii.** Whether there is debt and default within the meaning of the I & B Code, 2016.

i. Whether the application is barred by Section 10A

21. With regard to the first issue we noted from the Application that in Part IV of the application, the total outstanding amount due from the Corporate Debtor is shown as ₹6,15,26,697/-, with the date of default mentioned as 10.02.2021. As this date is falling within the period from 25.03.2020 to 24.03.2021 for which no application for insolvency of a Corporate Debtor can be filed as per the provisions of section 10A of the Code, the Learned Counsel for the Applicant has been asked to explain as to how the present application filed by the Applicant is

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maintainable.

- 22.** In this regard, the Applicant has contended that the present application is not barred by Section 10A of the Insolvency and Bankruptcy Code, 2016, and also filed an Affidavit in this regard, vide filing no. 0902109013592024/2 dated 29.05.2025, stating that since the default amount of Rs. 6,15,26,697/- as mentioned in Part-IV is the total default of the Corporate Debtor out of which of Rs.5,44,65,932 (calculated from 10.04.2021 till 10.11.2024) owed to the Applicant / Financial Creditor pertains to post section 10A period, hence, it does not fall in suspension period prescribed under Section 10A of IBC, 2016 (i.e., post 25.03.2021). The relevant excerpts from the said affidavit are reproduced below:

11. Details of the unpaid instalments and interests with respect to account number 01200605000032 for Rs. 10 crores, which are outside the suspension period of Section 10A of the Insolvency and Bankruptcy Code, 2016 are as under: -

S. No.	Date when Instalment was due	Instalment Amount Due but not paid (Rs.) (Principle) (A)	Interest Due but not paid (B)	Penal Interest Due but not paid (C)	Further Interest Due but not paid (D)	Total amount due along with interests (A+B+C+D)
1.	10/04/2021	-	-	-	-	-
2.	10/05/2021	-	17,02	5,110	477	22,613

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44.	10/11/2024	-	22,730	6,942	7,987	37,659
	TOTAL	0	8,97,486	2,53,283	1,59,373	13,10,142

12. Details of the unpaid instalments and interests with respect to account no. 01200605000032 for Rs. 7 crore, which are outside the suspension period of Section 10A of the Insolvency and Bankruptcy Code, 2016 are as under:

S. No .	Date when Instalment was due	Instalment Amount Due but not paid (Rs.) (Principle) (A)	Interest Due but not paid (B)	Penal Interest Due but not paid (C)	Further Interest Due but not paid (D)	Total amount due along with interests (A+B+C+D)
1.	10/04/2021	24,25,000	2,28,497	10,619	2,517	26,66,633
2.	10/05/2021	24,25,000	2,12,759	11,638	2,363	26,51,760
....
44.	10/11/2024	-	2,88,233	91,067	95,611	4,74,911
	TOTAL	3,60,50,000	1,20,61,952	31,49,968	18,93,870	5,31,55,790

From the above table it is clear that the total debt in default calculated for the period after the suspension period is 5,44,65,932 which is far more than the threshold limit of One Crore Rupees as prescribed under Section 4 of the Insolvency and Bankruptcy Code, 2016.”

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23. This argument is supported by judicial precedents clarifying that Section 10A only bars applications in respect of defaults that occurred during the suspension period and not for defaults that occurred subsequently. In this regard, the Applicant relied on the order dated 21.04.2022 of the NCLT, **Chennai Bench in Classic Exports v. Ram Charan Company Pvt. Ltd. [CP/IB/157/CHE/2021]**, wherein it was observed:

“11. Section 10A of IBC, 2016 clearly establishes that the period from 25.03.2020 to 25.03.2021, if any default occurs, no application ever shall be filed under Section 7, 9, and 10 of IBC, 2016. However, the same cannot be construed that there is no default or debt. The shield under Section 10A of IBC, 2016 for the Corporate Debtor is that the portion of ‘debt’ or ‘default’ occurred during 25.03.2020 to 25.03.2021 cannot give rise to proceedings under IBC, 2016 forever.

12. Hence it is clear that the default of payment of interest from 25.03.2020 to 25.03.2021 is a shield to the Corporate Debtor and the Corporate Debtor post the Section 10A period till date has admittedly not paid interest on the principal amount. The principal amount due and payable is more than one crore and hence the same is not hit by pecuniary jurisdiction. The debt clearly establishes that there is a continuous default during the period of Section 10A and post period of Section 10A to till date. Hence the ‘debt’ and ‘default’ is proved.”

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Further reliance is placed by the Applicant on the judgment of the Hon'ble NCLAT, New Delhi in *NuFuture Digital (India) Ltd. v. Axis Trustee Services Ltd. [Company Appeal (AT) (Insolvency) No. 444 of 2023]*, where the Appellate Tribunal held:

“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.”

- 24.** We have considered the above submissions made before us by the Applicant as filed by way of an Affidavit. The first date of default as mentioned in Part IV of the Application is admittedly 10.02.2021 but as default continued, interest and penalty kept on accruing on unpaid amount of outstanding loan and subsequent default by the Corporate Debtor up to 10.11.2024 as explained in the Affidavit has been found

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to be only with regards to interest and penalty payment due to non-payment of principal amount of Rs.4,32,81,613 for which default occurred on 10.02.2021 falling within such 10A period. As the default on payment of interest of subsequent period after 24.03.2021 has been found to be below threshold limit, Ld. Counsel for the Applicant has been asked to show as to whether any demand for payment of outstanding amount of principal value of loan was made subsequently, after the period covered by Section 10A was over. In this regard, the Ld. Counsel representing the Applicant / Financial Creditor drew our attention to Recall Notice dated 11.06.2021 issued by the Financial Creditor in which the Corporate Debtor was asked to pay the entire outstanding dues of amounting to Rs.4,43,65,085 calculated up to that date on or before 26.06.2021 failing which appropriate legal action will be taken against them. As the Corporate Debtor failed to pay the above outstanding amount despite issuing of the recall notice, further default of not paying the principal amount has occurred on 26.06.2021 which falls beyond the period covered under section 10A. Therefore, with the subsequent default occurring on 26.06.2021 due to non-payment of the loan amount after serving the Recall Notice and this date is falling beyond the period covered under Section 10A of the Code, we find that

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the present application is not barred by the provisions of Section 10A.

ii. Whether the application is filed within the period of limitation.

25. Further, with regards to the second issue of the present Application whether filed within limitation period or not, the Applicant has relied upon the judgment of the Hon'ble Supreme Court in ***RE: Cognizance for Extension of Limitation [M.A. No. 21 of 2021 in Suo Motu Writ Petition (C) No. 3 of 2020]***, whereby it was held that the period from 15.03.2020 to 28.02.2022 shall stand excluded while computing limitation under general and special laws in respect of all judicial or quasi-judicial proceedings.
26. As the default occurred on 26.06.2021 (during the exclusion window), the exclusion shall apply from 26.06.2021 to 28.02.2022, and the limitation of three years shall be computed thereafter as explained in the table below:

Date of Default (When the right to make an application accrued)	26.06.2021
In the normal course, the limitation would have expired on	25.06.2024
Add: Period from 26.06.2021 to 28.02.2022 (247 days) excluded as per the judgment of the Hon'ble Supreme Court	247 days
Limitation Period after applying the actual balance period of limitation	27.02.2025

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27. In view of above computation, the limitation period would expire on 27.02.2025, however, as the application is filed on 08.12.2024, we find that the present application is filed within limitation period.

iii. Whether there is debt and default within the meaning of the I&B Code, 2016.

28. With regard to the third issue of existence of debt and default, as per the Recall Notice dated 11.06.2021, the Corporate Debtor committed default in repayment of the instalments due under both the aforementioned loans. Despite issuance of the recall notice demanding payment of the outstanding loan amount along with interest and other charges, no payment was received from the Corporate Debtor. The outstanding liability is further substantiated by the statement of accounts maintained by the Financial Creditor. Additionally, the Financial Creditor has placed on record a press release dated 22.08.2024, issued by the Reserve Bank of India cancelling the Certificate of Registration of the Corporate Debtor as a Non-Banking Financial Company (NBFC), which further supports the contention that the Corporate Debtor is no longer carrying its financial business in a sound and viable manner and has defaulted in repayment of the financial debt.

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- 29.** In view of the loan documents, classification of the account as NPA, non-payment despite recall notice, and corroborating entries in Credit Information Bureau (India) Limited (CIBIL) report and financial statements, we are satisfied that a financial debt is clearly established, and that the Corporate Debtor has committed default in repayment thereof.
- 30.** Thus, in view of the aforesaid analysis, the Applicant / Financial Creditor has proved that there is a ‘debt’ and ‘default’ on the part of the Corporate Debtor. Hence, as per Section 7(5) of IBC, 2016, the present application is found to be fulfilling all the conditions for admissions of the Application and initiation of Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor i.e. Margdarshak Financial Services Limited.
- 31.** In view of our above findings, we are satisfied that the Applicant/Financial Creditor has proved the debt and the default, which is more than the threshold limit of Rs.1 crore applicable at present. The application is also filed within limitation period and complete in all respect and a resolution professional is also proposed as per section 7(3)(b). Accordingly, the present application under Section 7, has been found fit to be admitted as per Section 7(5) of the

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I & B Code, 2016.

- 32.** The Financial Creditor has proposed the name of IRP in Part-III of the Application, the Financial Creditor has proposed the name of Efficax Resolution Professional Private Limited as Interim Resolution Professional (IP Entity / Corporate IP) having Registration Number: IBBI/IPE/0153/IPA-003/2023-2024/50063; R/o House No. 3656/6, Gali No.6, Narang Colony, Tri Nagar, Near Rose Garden, New Delhi-110035; Email: md@efficaxindia.com. The IRP has duly given the consent in Form No. 2 dated 03.12.2024 annexed as Annexure- 7 with the Application. The Law Research Associate of this Tribunal, Ms. Akshita Singh, has checked the credentials of Efficax Resolution Professionals Private Limited, and found that there are no disciplinary proceedings pending against the proposed Insolvency Professional Entity (Corporate IP) and also there is nothing adverse against them. Upon verification from the website of IBBI, it is found that Insolvency Professional Entity (Corporate IP) holds valid authorization till 31.12.2025. After considering these details, we appoint Efficax Resolution Professional Private Limited having registration No. IBBI/IPE-0153/IPA-003/2023-2024/50063, as Interim Resolution Professional (IRP).

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- 33.** In the given facts and circumstances of the case as per our above findings, the present application u/s 7 being complete in all respect and having established the default in payment of the Financial Debt for the default amount being above the threshold limit and an IRP also having been appointed as per above para 32, the application is admitted in terms of Section 7(5) of the I & B Code, 2016 against the Corporate Debtor and accordingly, moratorium is declared in terms of Section 14 of the Code.
- 34.** The IRP is directed to take steps as mandated under section 13 and 15 of the IBC for making public announcement about the commencement of CIRP against the Corporate Debtor and moratorium against it u/s 14, and also take necessary actions as per sections 17, 18, 20 and 21 of IBC, 2016.
- 35.** The Suspended Board of Directors is directed to give complete access to the Books of Accounts of the corporate debtor maintained under section 128 of the Companies Act. In case the books are maintained in the electronic mode, the Suspended Board of Directors are to share with the Resolution Professional all the information regarding Maintaining the Backup and regarding Service Provider kept under Rule 3(5) and Rule 3(6) of the Companies Accounts Rules, 2014

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respectively as effective from 11.08.2022, especially the name of the service provider, the internet protocol of the Service Provider and its location, and also address of the location of the Books of Accounts maintained in the cloud. In case accounting software for maintaining the books of accounts is used by the corporate debtor, then IRP/RP is to check that the audit trail in the same is not disabled as required under the notification dated 24.03.2021 of the Ministry of Corporate Affairs. The statutory auditor is directed to share with the Resolution Professional the audit documentation and the audit trails, which they are mandated to retain pursuant to SA-230 (Audit Documentation) prescribed by the Auditing and Assurance Standards Board ICAI. The IRP/Resolution Professional is directed to take possession of the Books of Account in physical form or the computer systems storing the electronic records at the earliest. In case of any non-cooperation by the Suspended Board of Directors or the statutory auditors, he may take the help of the police authorities to enforce this order. The concerned police authorities are directed to extend help to the IRP/RP in implementing this order for retrieval of relevant information from the systems of the corporate debtor, the IRP/RP may take the assistance of Digital Forensic Experts

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empaneled with this Bench for this purpose. The Suspended Board of Directors is also directed to hand over all user IDs and passwords relating to the corporate debtor, particularly for government portals, for various compliances. The Interim Resolution Professional is also directed to make a specific mention of non-compliance, if any, in this regard in his status report filed before this Adjudicating Authority immediately after a month of the initiation of the CIRP.

36. The IRP is directed to approach the Government Departments, Banks, Corporate Bodies and other entities with requests for information/documents available with those authorities/ institutions/ others pertaining to the Corporate Debtor which would be relevant in the CIR proceedings. The Government Departments, Banks, Corporate Bodies and other entities are directed to render the necessary information and cooperation to the IRP to enable him to conduct the CIR Proceedings as per law.
37. 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 and shall file a

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report certifying the constitution of the Committee 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 Committee within seven days of filing the report of Constitution of the Committee. The Interim Resolution Professional is further directed to send regular progress reports to this Tribunal every month.

38. As a necessary consequence of the moratorium in terms of Section 14, the following prohibitions are imposed, which must be followed by all and sundry:

- 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 assets or any legal right or beneficial interest therein;
- c) Any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- d) The recovery of any property by an owner or lessor, where such property is occupied by or in the possession of the corporate debtor.
- e) It is further directed that the supply of essential goods or services

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to the corporate debtor as may be specified, shall not be terminated or suspended or interrupted during the moratorium period.

- f) The provisions of Section 14(3) shall, however, not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a corporate debtor.
- g) The order of moratorium shall have effect from the date of this order till completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of the corporate debtor under Section 33 as the case may be.

39. We direct the Financial Creditor 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 Person) Regulations, 2016. The amount, however, is subject to adjustment by the Committee of Creditors as accounted for by the Interim Resolution Professional on the conclusion of CIRP.

40. A certified copy of the order shall be communicated to both the parties. The learned counsel for the petitioner shall deliver a

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certified copy of this order to the Interim Resolution Professional forthwith. The Registry is also directed to send a certified copy of this order to the Interim Resolution Professional at his e-mail address forthwith.

- 41.** List the matter on 11.07.2025 for filing of the progress report/further proceeding.

-Sd-

(Ashish Verma)

Member (Technical)

-Sd-

(Praveen Gupta)

Member (Judicial)

Date: 11.06.2025