

**BEFORE THE ADJUDICATING AUTHORITY  
NATIONAL COMPANY LAW TRIBUNAL  
INDORE BENCH at AHMEDABAD**

**C.P. (I.B) No.421/7/NCLT/AHM/2018**

**Coram: Hon'ble Mr. HARIHAR PRAKASH CHATURVEDI, MEMBER (JUDICIAL)  
Hon'ble Mr. PRASANTA KUMAR MOHANTY, MEMBER (TECHNICAL)**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF INDORE BENCH OF  
THE NATIONAL COMPANY LAW TRIBUNAL ON 03.01.2020**

Name of the Company: Bank of Baroda  
V/s.  
Pithampur Poly Products Pvt. Ltd.

Section of the Companies Act : Section 7 of the Insolvency and Bankruptcy Code

<b>S.NO.</b>	<b>NAME (CAPITAL LETTERS)</b>	<b>DESIGNATION</b>	<b>REPRESENTATION</b>	<b>SIGNATURE</b>
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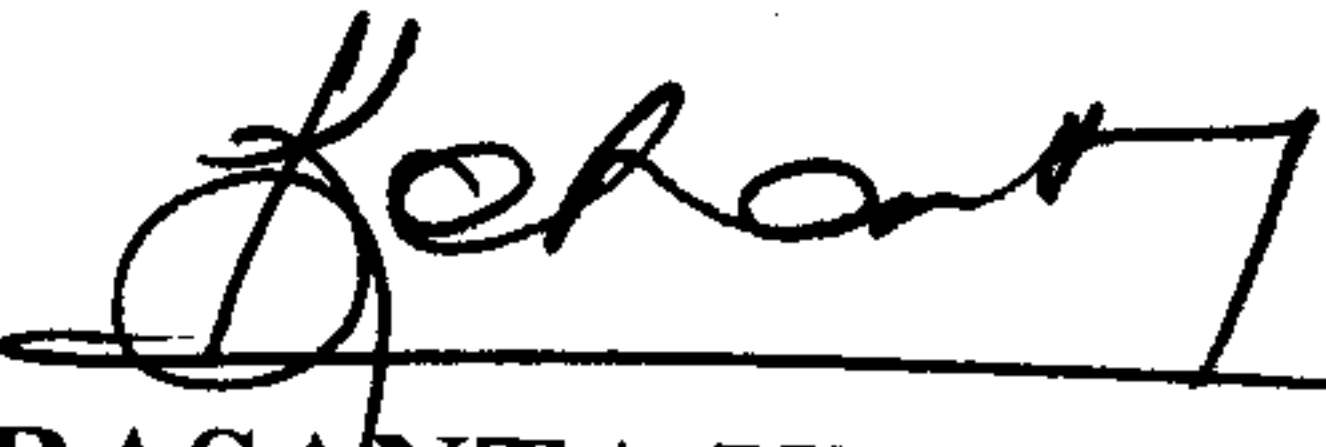
**ORDER**


The Case is fixed for pronouncement of order.

The Order is pronounced in open Court, vide separate sheet.

The present application i.e. CP(IB) 421 of 2018 filed under Section 7 of the Insolvency & Bankruptcy Code.

**The Application is admitted.**

  
(PRASANTA KUMAR MOHANTY)  
MEMBER (TECHNICAL)  
Dated this the 3rd day of January. 2020

  
(HARIHAR PRAKASH CHATURVEDI)  
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY  
(NATIONAL COMPANY LAW TRIBUNAL)  
INDORE BENCH AT AHMEDABAD**

C.P. (I.B.) No. 421/7/NCLT/AHM/2018

**Coram: Hon'ble Mr. Harihar Prakash Chaturvedi, Member (J)  
Hon'ble Mr. Prasanta Kumar Mohanty, Member (T)**

**In the matter of:**

BANK OF BARODA (Erstwhile Dena Bank)

Incorporated under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (Act V of 1970)

Having Head Office at:

Dena Corporate Centre, C-10, "G" Block, Bandra Kurla Complex, Bandra(E), Mumbai - 400 051

.....Petitioner

Versus

PITHAMPUR POLY PRODUCTS LIMITED.

Having its Registered Office at:

Plot No.115, Sector ITI,

Industrial Area,

Pithampur Dhar,

Madhya Pradesh.

.....Respondent

**Appearance:**

Advocate, Shri Gaurav Maharshi & Rohit Lalwani for the Applicant/Financial Creditor

Advocate, Shri Akshat Agrawal for the Respondent/Corporate Debtor

Order Pronounced and delivered on 03.01.2020.

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**[Per: Mr. Prasanta Kumar Mohanty, Member (T)]**

1. The present I.B. Petition is filed by the Financial Creditor **Bank of Baroda (erstwhile Dena Bank)** under **Section 7** of the Insolvency and Bankruptcy Code, 2016 (herein after referred to as a "Code"), **seeking initiation of Corporate Insolvency Resolution Process** ("CIRP" in Short) against the Corporate Debtor Company namely, Pithampur Poly Products Limited for the default committed by the Corporate Debtor in making repayment of the Term Loans/CC facility availed from the Bank. The Applicant (FC), Bank of Baroda (erstwhile Dena Bank) is a Bank, incorporated under the provisions of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970. The application has been filed by the duly authorised officer, Shri Manoj Kumar, Assistant General Manager, Navlakha Chouraha, A.B. Road, Indore, Madhya Pradesh.
2. The Respondent Corporate Debtor (CD) Company, namely Pithampur Poly Products Limited was incorporated on 28/07/1994 with CIN: L25202MP1994PLC008513.
3. The nominal share capital of the Respondent (CD) Company is Rs.6,00,00,000/- (Rupees Six Crores Only) and the paid up capital of the company is Rs.4,87,40,000/- (Rupees Four Crores Eighty Seven Lakhs Forty Thousand Only). The Registered Office of the

Corporate Debtor Company is situated at: Plot No. 115, Sector-ITI, Industrial Area Pithampur, District-Dhar, Madhya Pradesh.

4. The main objects of the company, by which the Respondent (CD) Company is incorporated, are mentioned in the Memorandum of Association which are briefly mentioned as:

*“To carry on the business of manufacturers, producers, processors importers, exporters, buyers, sellers, and dealers in, flexible and other packaging material including plastic, paper, decorative, printing methods, such as flexographic, rotogravure lamination metallisation, surface coating, fabric, cloth, polythene polyester, polypropylene, PVC, Material required for commercial industrial, agricultural, construction purposes, HDPE/P.P.BAGS, TARPAULIN PACKING SHEET, SHOPPING BAGS AND ALL TYPES OF COVERS required for packing cement, grain, fertilizers, chemicals etc.*

*To carry on the business of manufacturers, producers, importers, exporters, buyers, sellers, distributors, stockists, wholesale merchants, retailers, indenting agents in, flexible and other packaging material including plastic, paper, decorative, printing methods, such as flexographic, rotogravure, lamination, metallisation, surface coating, fabric, cloth, polythene, polyester, polypropylene, PVC,*

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*material required for commercial, industrial, agricultural, construction purposes, HDPE/P.P.BAGS, TARPAULIN PACKING SHEET, SHOPPING BAGS AND ALL TYPES OF COVERS required for packing cement, grain, fertilizers, chemicals etc.*

5. It is stated that the Corporate Debtor has been engaged in the manufacturing of PP/SDP woven sacks, Jumbo Bags Box Bags etc. since 1994. It has its factory at Industrial Plot No.115 situated in Sector-3 Industrial area Pithampur in District Dhar (MP), which is also the company's registered office.

The company was promoted by Shri S N Kabra, Shri Ashish Shekar & others and commercial production of the unit was scheduled to commence from April 1995 but due to delay in supply and installation of machinery the production could not start from December 1995. At this stage in November 1995 Shri R K Tekriwal took over the entire project and the unit could not turn the corner and loss was increased. To overcome the imbalances and to make the plant capable of producing fabric of a higher width, the company finalized a modernization cum expansion plant and bank has sanctioned the credit facilities.

6. It is submitted that the Respondent Company applied for various Term Loan and Cash Credit facilities and the applicant bank sanctioned Term Loans of

Rs.7,01,49,000/- Cash Credit Limit of Rs.4,34,00,000/- in various dated from 27/11/1994 to 23/06/1997.

Thus, total aggregate limit of **Rs.11,35,49,000.00/-** was sanctioned by the Applicant Bank with certain terms and conditions including hypothecation of plant and machineries and mortgage of immovable properties including guarantees which was duly accepted/acknowledged by the Corporate Debtor and Mortgagor/Guarantors. Mortgage of the property has been created on 14/07/1995 (Page no. 49 of the paper book).

7. The Corporate Debtor has defaulted payment and the **date of default is 01/05/2000** as stated by the Petitioner Bank (page no. 45-47 of paper book). CIBIL Report (page no. 98 to 119 of the paper book) has been filed by the Bank which confirms that the Account is **in default**.
8. The statements of accounts of the Corporate debtor have been filed and the Petitioner Bank has submitted a Certificate to this effect under Banker's Book of Evidence Act, 1891. (Page no. 127 of paper book). The Petitioner Bank has claimed their total dues of **Rs.2,87,87,58,545.91Ps (Rupees: Two Hundred Eighty Seven Crores Eighty Seven Lakhs Fifty Eight Thousand Five Hundred Forty Five and Ninety One Paisa Only)** as on 08/08/2018.

9. The Petitioner Bank, in support of its contentions has annexed the details of Financial Debt, Records and evidences of default including copies of all the sanction letters, the workings showing the amount claimed to be in default and its calculation in tabular form as on 08/08/2018 along with ROC search report.
10. The present application has been filed by the Financial Creditor under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy before this Adjudicating Authority to initiate the Corporate Insolvency Resolution Process.
11. The Financial Creditor, to substantiate their claim, has enclosed following documents: -
- i. Copy of Consent in Form-2 of Interim Resolution Professional. (Page no.40 to 44 of paper book)
  - ii. Copy of dates of sanction and disbursement of each loan facilities mentioned in the tabular format. (Page no.45 of paper book)
  - iii. Copy of the workings of computation of amount and days of default in tabular form. (Page no.46-47 of paper book)
  - iv. Copy of Form 8 filed with Registrar of Companies dated 20/07/1995. (Page no.48-49 of paper book)

- v. Copy of Form 8 filed with Registrar of Companies dated 22/07/1997. (Page no.50-51 of paper book)
  - vi. Copy of the Order of DRT. (Page no.52 to 63 of paper book)
  - vii. Copy of the sanction letter dated 27/11/1994. (Page no.64 to 97 of paper book)
  - viii. CIBIL Report dated 18/06/2018 wherein overdue amount from the corporate debtor towards applicant bank has been reported. (Page no.98 to 119 of paper book)
  - ix. Copy of the Bank Statements of the Pithampur Poly Products Limited from 01/04/2008 to 25/07/2018. (Page no.120 to 126 of paper book)
  - x. Copy of the certificate under Section 24(a) and 24(b) of the Bankers Books of Evidence Act, 1891 dated 18/06/2018. (Page no.127 of paper book)
12. In the present matter, this Tribunal, vide its order dated 11/09/2018 had directed the Petitioner Bank to serve the notice of date of hearing to the Corporate Debtor and file the proof of service of notice before this Tribunal. Thereafter, the Respondent, Corporate Debtor appeared before this Tribunal on 29/10/2018 and sought time to file objections within two weeks.
13. The Learned Lawyer of the Applicant Bank(FC) clarified their positions and put forth their arguments **relying on**

**the documents submitted by them, which were executed by the Corporate Debtor and the Mortgagors/Guarantors.**

They have also referred the CIBIL report filed with their application **which confirms the debt is in default.**

ROC report filed by them **is referred to in support of the charge created in their favour by them.**

14. The matter was taken up and heard both sides by this Bench on 11.09.2018, 29.10.2018, 07.12.2018, 11.01.2019, 22.02.2019, 16.04.2019, 19.06.2019, 23.07.2019, 30.07.2019, 13.08.2019, 18.09.2019, 03.10.2019, 06.11.2019 and 21.11.2019. The counsels of the Petitioner and the Respondent were present and put forth their submissions before the Bench.
15. On 21/02/2019 the Counsel of the Corporate Debtor submitted application to the Adjudicating Authority containing 6 Pages for **taking on record of further developments/documents.** It is submitted as under:
- 15.1 The Corporate Debtor hereby submits that it has submitted an One Time Settlement proposal to the present financial Creditor vide its application dated 14/01/2019, regarding settlement of Account and finally arriving at Rs.3.725 Crores details are as under:

Towards Term Loans 1, 2 and 3	Rs.50,00,000/-
Towards Working Capital	Rs.3,22,50,000/-
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	Rs.3,72,50,000/-

Mr. Pawan Singhania has already deposited Rs.50 Lakhs out of the above 3.725 Crores in "No Lien Account." It is submitted that on depositing of the above amount, Financial Creditor will issue the full and final NOC and release charge satisfaction letter to be filed with the Registrar of Companies. Accordingly, **the Financial Creditor will withdraw all cases filed by themselves in all Courts, Tribunal or any other legal proceedings initiated against them. Same way the Respondents will also withdraw all cases filed by themselves against Bank in all Courts, Tribunals or any other institutions.**

15.2 It is submitted that the said OTS proposal **is still pending** and is under consideration before the present financial Creditor, viz, Dena Bank. The negotiations between the parties are still going on and have to be given final shape by the banking authorities. A perusal of Correspondence between Corporate Debtor and the Financial Creditor would go to show that the **proposal is under consideration and is at last stage of completion.**

15.3 The Fairdeal Marwar Garages Limited in its OTS offer letter dated 14/02/2019 submits final non-negotiable offer of Rs.1.75 Crores for One Time Settlement of the Loan Accounts with the conditions that:

- (a) All the charges of the bank in the ROC records over the assets of the company shall stand vacated and the

mortgage documents including the original chain documents of the properties mortgaged with the bank for the said loan accounts shall be returned back to them.

- (b) The cases against the company and its promoters on various forums including the petition filed under IBC with NCLT Bench, Ahmedabad, shall be withdrawn with immediate effect.
- (c) The bank shall issue a 'No dues' certificated on payment of the amount as above within 02 days of making the payments.
- (d) The bank shall release the primary as well as collateral security with immediate effect.
- (e) The bank shall release the personal guarantees of all the guarantors immediately after receipt of the amount as above.
- (f) The bank shall not have any claim against the promoters, company, properties of the company or any other assets of the company after the payment of the amounts as above.
- (g) This offer is a joint offer alongwith Pithampur Poly Products Limited for Rs.3.865 Crores, thus making a total of Rs.5.615 Crores. Rs.1.00 Crore has been deposited by Mr. Pawan Singhanian in 'No lien Account'.  
This offer is subject to accepting both company's OTS by the Bank.
- (h) It is stated that they will withdraw all cases from all courts, tribunals or in any other legal platforms and similarly

bank will also withdraw all cases from all courts, tribunals or in any other legal platforms.

It is stated that they have arranged funds from the investor who would not be available after 25/02/2019. Hence, they have requested the Financial Creditor to approve the OTS and oblige.

15.4 The Corporate Debtor further submits another letter on 18/02/2019 about their "One Time Settlement" offer stating that this has reference to the OTS proposals submitted by the Pithampur Poly Products Limited and Fairdeal Marwar Garages Private Limited. They have requested the Financial Creditor to try and do the OTS so that the matter can be closed once for all.

15.5 It is further submitted by the Corporate Debtor on 21/02/2019 before this Adjudicating Authority that in view of above submission and pendency of OTS proposal before the Financial Creditor, the present matter listed on 22/02/2019 may **kindly be adjourned** to a later date.

16. Further the **Corporate Debtor has submitted its objections** on 04/12/2019 stating that the alleged claim of the Financial Creditor is barred by limitation in view of the judgment of Hon'ble Supreme Court in case of B.K. Educational Services Private Limited vs. Parag Gupta and Associates 2018, Non-availability of existence of default for initiation of Corporate Insolvency Resolution Process in respect of Corporate Debtor. Applicant Financial Creditor

is guilty of suppression fraud and misrepresentation. Mr. Manoj Kumar, Assistant General Manager, Dena Bank is not an authorised person to file the present application. The present application is liable to be dismissed for want of document/agreements to show borrowing by the respondent corporate debtor. The copy of relevant account from the Bank is not as per the Banker's Books Evidence Act, 1891. The affidavit in support of the application not admissible for want of completeness and correctness. Certificate under Rule 9(2) from the proposed insolvency professional cannot be relied upon. The mandatory instructions under Form No.5 have been violated. The applicant Bank induced and lured the Corporate Debtor to take over their bad account with mala-fide intentions to extract money without intention to support the business and subsequently back tracked. In view of the submissions made hereinabove the application filed by the applicant under Section 7 of the IBC code deserves to be and may kindly be dismissed.

17. The applicant **submitted their written submission on 05/12/2019**. It is stated that till the time the Applicant could take any appropriate action for recovery of the dues, the Corporate Debtor **had approached the Hon'ble High Court of Madhya Pradesh at Indore Bench by filing a Writ Petition No.5330/2013**. An Interim order was passed by the Hon'ble High Court which barred the

**Applicant for taking any action for recovery of dues which became due and payable.**

17.1 It is submitted that the **Applicant Bank was left with no recourse for recovery of its dues from the Corporate Debtor. Thereafter, the Hon'ble High Court on 07/03/2018 vacated the stay and permitted the Applicant to take appropriate steps for recovery of the outstanding amount in accordance with law.**

17.2 It is submitted that at this juncture it is very **crucial to note** that the Hon'ble Apex Court in the case of M/s Innoventive Industries Ltd vs. ICICI Bank & Ors.(2018) 1 SCC 407, has very **categorically discussed and held that:** "The scheme of the Code is to ensure that when a default takes place, in the sense that a debt becomes due and is not paid, the insolvency resolution **process begins.**" **Therefore, the moment the stay was vacated by the Hon'ble High Court, the debt for which the Corporate Debtor had earlier defaulted, now again became due and payable. The same not being paid again, there lies a fresh cause of action.**

17.3 It is submitted that since there arose a new cause of action **after the stay was vacated by the Hon'ble High Court,** the Applicant approached this Hon'ble Bench on **21/08/2018** under Section 7 of IBC at earliest for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor.

- 17.4 It is submitted that the Corporate Debtor has also time and again offered One Time Settlement (for brevity "OTS") proposal for settling down the debt **which clearly shows the intent, acknowledgment and continuance of Debt by the Corporate Debtor.**
- 17.5 It is submitted that it is important to note that the Corporate Debtor had submitted OTS vide letters **dated 05/01/2019, 14/01/2019, 11/02/2019 and 18/02/2019.** These OTS offers were rejected vide letter dated **20/02/2019.**
- 17.6 It is submitted that another OTS offer was made on 17/06/2019 which was rejected vide letter **dated 02/08/2019.** A copy of the OTS rejection letter was submitted to **the Hon'ble Bench** during the course of the hearing.
- 17.7 Offering repeated OTS to the Applicant by the **Corporate Debtor clearly shows that the debt has been acknowledged by the Corporate Debtor and there has been a continuous cause of action which gives rise to the claim of debt by the Applicant against the Corporate Debtor.**
- 17.8 It is submitted that it is imperative to note that there has been a continuous wrong on the part of the Respondent when they refused to pay the admitted debt and instead **kept on submitting OTS offers.** This continuing wrong

and continuous cause of action allows the application to **be not barred by limitation.**

17.9 It is submitted that the application is within the period of limitation because the Corporate Debtor has itself acknowledged the current continuance of debt by submitting an OTS to settle the **dues with the Applicant.**

If the Corporate Debtor is of the opinion **that the debt is time barred, it would not have submitted an OTS at all.**

17.10 It is submitted that therefore, the debt being due and payable on which the Corporate Debtor defaulted it is imperative to believe that the Application under Section 7 **is maintainable and not barred by limitation.** It is humbly prayed that the said application be accepted and CIRP may be initiated against the Corporate Debtor.

18. It is a settled legal position that the pendency of SARFAESI proceeding or other dispute does not prevent a Financial Creditor to trigger the C.I.R.P. because the nature of remedy being sought for under the provisions of the I.B. Code is "Remedy in Rem" in respect of the CD.

19. The Petitioner Bank has suggested the name of Insolvency Professional to be appointed, if this petition is allowed and the proposed I.R.P. has also given his affirmation/consent in writing, which is annexed with the present I.B. Petition.

**Observations**

20. It is also found, that the Petitioner Bank has submitted the documents duly executed by the Corporate Debtors and guarantors along with a Certificate under the Banker's Book of Evidence Act, 1891, in support of their IB Petition for initiation of C.I.R.P.

20.1 The Term loans/CC facilities was sanctioned and released by the Petitioner Bank and the same were availed by CD, Pithampur Poly Products Private Limited. **The Charges have been** filed by the CD with the ROC, Gwalior in favour of the Petitioner **Bank on 22/01/1996 and modified on 09/02/1999. Charge Certificate have been issued by the ROC, Gwalior.**

20.2 The CD has defaulted in making repayment of Term loan/Cash Credit facilities to the Petitioner Bank and **the date of default is 01/05/2000.** The Statement of accounts and the **CIBIL Reports** submitted by the applicant Bank **confirm the default** committed by the Corporate Debtor.

20.3 The entire matter/company accounts are entangled **in court case.** The corporate debtor has filed writ Petition in the Hon'ble High Court of Madhya Pradesh, Jabalpur Bench in the year 2013 and the Hon'ble High Court granted stay for not taking any coercive action. The Hon'ble High Court vacated the

interim **order on 07/03/2018** and permitted the Financial Creditor to take appropriate steps for recovery. The Financial Creditor filed the petition on **21/08/2018** i.e. only after the vacation of interim **order on 07/03/2018**.

20.4 The Corporate Debtor was going on negotiating with the Financial Creditor and offering OTS proposals on **14/01/2019, 14/02/2019 & 18/02/2019** after the application is filed under Section 7 by the Financial Creditor.

20.5 The Corporate Debtor further submitted application on 21/02/2019, enclosing all OTS letters submitted by them to the Financial Creditor and requested this Adjudicating Authority **not to proceed in this the petition filed by the Financial Creditor under Section 7 of IBC as their OTS proposal is pending with the Financial Creditor.**

20.6 It is observed that Path for finding a Resolution Plan was clear only after the Hon'ble High Court vacated the **stay on 07/03/2018. The Corporate Debtor has been acknowledging that** the debt is due to the Financial Creditor which is evident from their offer **of 4 OTS proposals** to the Financial Creditor in 2019, though the same **were rejected** by the Financial Creditor for the offer of lower amount compared to their claimed amount.

20.7 The Financial Creditor had sanctioned loan of Rs.11.36 Crores but claimed total dues of Rs.287.88 Crores which includes **undebited interest of Rs.276.52 Crores.**

20.8 The present I.B. Petition is filed by the duly authorised official of the Applicant Bank in a prescribed format under **Section 7** of the Insolvency and Bankruptcy Code, 2016 annexing copies of loan documents **confirming the existence of debt due and defaulted.**

20.9 They have proposed a name of Resolution Professional to act as an Interim Resolution Professional (IRP) for initiation of CIRP.

### **ORDER**

21. Considering the material papers filed by the Petitioner Bank and the facts mentioned in the **Para No.20, 20.1, 20.2, 20.3, 20.4, 20.5, 2.06, 20.7, 20.8 & 20.9** this **Adjudicating Authority is satisfied that,**

(a) The Corporate Debtor availed the loan /credit facilities from the Financial Creditor.

(b) Existence of debt is above Rs. One Lac;

(c) Debt is due;

(d) Default has occurred on 01/05/2000;

(e) Petition has been filed within the limitation period as entire matter was entangled in the Court cases and clear

cause of action arise only after vacation of the stay by the Hon'ble High Court on 07/03/2018. Both the Corporate Debtor and the guarantors are acknowledging the debts **by offering repeated OTS proposals** after the application is filed before the Adjudicating Authority on 21/08/2018. Charges filed in the ROC has not been satisfied.

(f) Copy of the Application filed before the Tribunal has been sent to the Corporate Debtor and the application filed by the **Petitioner Bank Under Section 7 of IBC is found to be complete for the purpose of initiation of Corporate Insolvency Resolution Process** against the Corporate Debtor.

Hence, **the present IB Petition is admitted** with the following Directions/observations. **The date of admission of this petition is 03/01/2020.**

22. This Adjudicating Authority hereby appoints, as proposed, **Mr. Jagdish Kumar, having Insolvency Professional Registration No. IBBI/IPA-001/IP-P00671/2017-18/11143, Email ID: jkparulkar@yahoo.co.in, Address: B-56, Wallfort City, Bhatagaon, Ring Road No.1 Raipur, Chhattisgarh-492001, India as an Interim Resolution Professional.** The Interim Resolution Professional is further directed to make public announcement of moratorium in respect of Corporate Debtor soon after receipt of an authentic copy of this order and to act further

as per the order/directions issued by this Adjudicating-Authority. The IRP is also to follow the provisions Under Section 13 and 14 and other relevant provisions of the Insolvency and Bankruptcy Code 2016.

23. As per the provisions of Section 13 and 14 of the I.B. Code on the date of commencement of insolvency, this **Adjudicating Authority declares moratorium with effect from today** for prohibiting all of the following, namely: -

- I. (a) *The institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgement, 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 Securitisation 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 the possession of the corporate debtor.*
- II. *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.*
- III. *The provisions of sub-section (1) shall not apply to*
  - (a) *such transactions as may be notified by the Central Government in consultation with any financial sector regulator.*


IV. *The order of moratorium shall have effect from the date of this order till the completion of the Corporate Insolvency Resolution Process.*


24. The **IRP is hereby advised to adhere the timeline** as stipulated for completion of the Corporate Insolvency Resolution Process ("CIRP" in short) and perform the duties as specified Under Section 17, 18, 20 and 21 of I.B Code. Further the **personnels of the Corporate Debtor** are advised to extend co-operation to **Interim Resolution Professional as required Under Section 19 of IB Code.**

25. It is also observed that the Petitioner Bank had sanctioned Loan of Rs.11.36 Crores but claimed **total dues of Rs.287.88 Crores which is inclusive of undebited interest of Rs.276.52 Crores.** One of the **prime objectives** of the Insolvency and Bankruptcy Code, 2016 is to **find** out a **viable Insolvency Resolution Plan** for the **Corporate Debtor** and in order to have a Resolution Plan Viable, feasible and implementation successful, in the era of Minimum Cost of funds based Lending Rate ("MCLR" in short) and Competitive market condition, Committee Of Creditor(s) (COC) **may explore**, while finalizing the Resolution Plan for the Corporate Debtor, the **possibility of loading maximum interest** at the Applicant Bank's Base Rate (BR) +1% from the date of default to the date of implementation of MCLR and further from the date of

implementation of MCLR till the date of approval of the Resolution Plan at the rate of Petitioner Bank's One Year MCLR or One Year MCLR + 1% without any penal /overdue interest.

26. The **Registry is hereby directed** to communicate the authenticate copy of this order to the Financial Creditor, Corporate Debtor Company, the I.R.P and also to the Registrar of Companies, Gwalior, Madhya Pradesh immediately through speed post / registered post.
27. Thus the present I.B petition filed Under Section 7 of the **IBC stands admitted today with the above directions and observations.**

  
(Prasanta Kumar Mohanty)  
Adjudicating Authority &  
Member (T)

  
(Harihar Prakash Chaturvedi)  
Adjudicating Authority &  
Member (J)

SK