



**NATIONAL COMPANY LAW TRIBUNAL  
CUTTACK BENCH**

**CP(IB) No. 41/CB/2023**

*(Under Section 7 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)*

**In the Matter of:**

**PUNJAB NATIONAL BANK**

Through Indrajit Kumar  
Assistant General Manager,  
Zonal SASTRA, Raipur  
Having head office at: Plot No-4,  
Dwarka Sector-10, New Delhi and Branch office  
among other places at station Road. Raipur (C.G)

**..... Applicant/Financial Creditor**

**Versus**

**M/s. GOYAL ENERGY AND STEEL PRIVATE LIMITED**

Having Head Office at: Ring Road No-2,  
Tatibandh, Tehsil & District- Raipur  
Chattisgarh.

**..... Respondent/Corporate Debtor**

**Order pronounced on: 18.10.2024**

**CORAM: DEEP CHANDRA JOSHI, MEMBER(J)  
KAUSHALENDRA KUMAR SINGH, MEMBER(T)**

**APPEARANCE:**

**FOR APPLICANT: SAROJ KUMAR PRUSTY, ADVOCATE**

**FOR RESPONDENT: SATYA SMRUTI MOHANTY, ADVOCATE  
GOPINATH NAYAK, PCS**



## ORDER

1. The instant application was filed on 05.06.2023 by Punjab National Bank (hereinafter referred to as “**Applicant/Financial Creditor**”) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “**Code**”) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as “**Adjudication Rules**”) for initiation of Corporate Insolvency Resolution Process (CIRP) against M/s Goyal Energy and Steel Private Limited (hereinafter referred to as “**Respondent/Corporate Debtor**”) for the alleged default amount of ₹103,44,07,566/- including interest and other loan related expenses calculated as on 31.03.2023. The date of Default as stated by the applicant is 29.11.2021.

2. The averments made by the financial creditor/applicant in its application and as argued by the learned counsel are summarised as under:

i. The applicant is a nationalized bank and a body corporate under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 and the respondent is a company registered under the Companies Act, 1956 involved in the business of manufacturing of sponge Iron, Ingots & power generation.

ii. The applicant Financial Creditor along with Union Bank of India, another nationalized bank, formed a consortium namely “PNB Consortium” (hereinafter referred to as “**Consortium**”), wherein the Applicant Bank was the lead Bank, which had sanctioned Cash Credit Hypothecation (“**CCH**”) Limit of ₹74.50 Crores and Term Loan of ₹22 Crores aggregating to the extent of ₹96.50 Cr *vide* sanction letter dated 24.03.2015 with certain terms and condition to which the Corporate Debtor had agreed to vide their Board Resolution dated 23.03.2015 and in pursuance to that


loan documents were executed between the applicant and respondent on 24.03.20215.

*[Note :It is clarified herein that though in the pleadings the applicant has submitted to have sanctioned CCH Limit of ₹ 74.50 Crores and Term Loan of ₹ 22 Crores aggregating to the extent of ₹96.50 vide sanction letter dated 24.01.2015 but during the oral arguments the learned counsel for the applicant had clarified that the total amount was sanctioned by the Consortium and PNB's i.e. the applicant's share in CCH limit was ₹39.50 out of ₹74.50 Crores and in the Term Loan its share was ₹10 Crores out of ₹22 Crores and the date of Sanction letter is 13.01.2015 and not 24.03.2015.]*

**iii.** The applicant upon the request of the respondent subsequently vide sanction letter dated 24.01.2018 enhanced the CCH limit to ₹94.50 Crores from the existing ₹74.50 Crores and also sanctioned Non-Fund Based ("**NFB**") Credit Facilities amounting to ₹20 Crores, making the total credit facility sanctioned by the consortium aggregating to ₹129.93 Crores wherein the share of the applicant bank was 68.25 Crores. This enhancement was subject to the execution of requisite loan documents and furnishing of guarantees, which was accepted by the respondent vide Board resolution dated 26.03.2018 and the loan documents were executed between the applicant and the respondent on 27.03.2018.

**iv.** The Applicant Bank on request of the Corporate Debtor applicant has further sanctioned ₹5 Crores vide sanction letter dated 16.04.2020 towards COVID-19 Emergency Credit Facility ("**CEFC**") subject to execution of requisite loan documents and furnishing the guarantees to which the Corporate Debtor agreed by their Board Resolution dated 16.04.2020 and pursuant to that loan documents were executed between the Financial Creditor and Corporate Debtor on 17.04.2020.

**v.** The Applicant Bank has further sanctioned Working Capital Term Loan ("**WCTL**") to provide Liquidity Support of ₹11.90



Crores vide sanction letter dated 17.12.2020 under Guaranteed Emergency Credit Line (GECL) Scheme (hereinafter referred as “**GECL-Limit I**”) subject to execution of requisite loan documents and furnishing the guarantees to which the Corporate Debtor agreed through the Board Resolution dated 17.12.2020 and in furtherance the requisite loan documents were executed between both the parties on 17.12.2020.


**vi.** Subsequently, the Corporate Debtor again approached the Applicant bank by virtue of the Board Resolution dated 18.01.2021 seeking Working Capital Term Loan and the applicant bank sanctioned another WCTL of ₹9.68 Crores under the Bank’s GECL Scheme (hereinafter referred as “**GECL-Limit II**”) vide sanction letter dated 17.03.2021 and requisite loan documents dated 17.03.2021 were executed between both the parties to give effect to the credit facility.

**vii.** The Corporate Debtor failed to make the timely payments and due to which the Loan Account of the Corporate Debtor was declared as a Non-Performing Asset (NPA) on 29.11.2021.

**3.** The submissions by the corporate debtor/respondent as stated in their reply and argued by the learned counsel for the respondent are summarized as under:

**i.** The Corporate Debtor has denied and disputed the default amount of ₹1,03,44,07,566/- (Rupees One Hundred Three Crores Forty-Four Lakhs Seven Thousand Five Hundred Sixty-Six only) as allegedly claimed by the financial creditor.

**ii.** The amount claimed as debt in the present petition by Financial Creditor is incorrect because as per Record of Default issued by National-E-Governance Services Limited (Information utility) attached with the petition the total default amount stands at ₹73,25,47,317.00/- (Rupees Seventy-Three Crore Twenty-Five Lakh Forty-Seven Thousand Three Hundred Seventeen only).



**iii.** The Financial Creditor has wrongfully assumed the debt owed to Union Bank of India as their own and have therefore, demanded a higher amount than that is owed to them. The Financial Creditor has only submitted Record of Default to the tune of ₹73,25,47,317.00/- and no record of default or other documents showing additional default of ₹30,18,60,249/- has been enclosed to the present petition.

**iv.** The Corporate debtor has been making regular repayments to the Consortium i.e., PNB and Union Bank of India and the total amount repaid by the Corporate Debtor is as follows:

a) Total Interest paid	₹ 1,03,86,17,546.00/-
b) Total Processing /LC Charges	₹ 7,88,51,864.00/-
c) Total Penal interest paid	₹ 2,17,130.00/-
d) Total Term Loan paid	₹ 34,59,43,225.00/-
<b>Total</b>	<b>₹ 1,46,36,29,765.00/-</b>

**v.** The Corporate Debtor was making regular payments to the bank but due to the arbitrary action of the bank officials, the corporate debtor was compelled to opt for settlement. In this regard an OTS proposal was also submitted by the Corporate Debtor but the same was rejected by the applicant.

**vi.** The alleged default in the loan account maintained with the Financial Creditor has taken place due to faults of the bank, negligent and casual attitude of the bank, substantial delay in restructuring of account, levy and recovery of unwanted arbitrary charges and interest, levy and recovery of installments, interest on term loan during COVID-19 etc.


**vii.** The Financial Creditor was willing to sanction additional credit facility in favor of the Corporate Debtor even after the Financial Creditor had declared the loan account of the Corporate

Debtor as NPA. However, the same was declined by the Corporate Debtor.

**viii.** There exists prior dispute in regards to the subject matter of the present petition in terms of section 5(6) of the Insolvency and Bankruptcy Code, 2016. The Financial Creditor has initiated an application which is still pending before the Hon'ble Debts Recovery Tribunal, Jabalpur vide Securitization Application No. 584/2022.

**4.** We have heard the learned counsels for the applicant as well as for the respondent and perused the materials available on record. After the careful perusal of the materials placed on record by both the parties it is well established that the applicant Bank has sanctioned the Credit Facilities to the respondent under the Consortium. The Financial Creditor has sanctioned or enhanced Credit facilities to the Corporate Debtor at five different instances between 13.01.2015 till 17.03.2021. The timeline of sanction/enhancement of the loan and the documents on record evidencing such sanction are as discussed below:

**i.** The first tranche of credit line was sanctioned by the Financial Creditor on 13.01.2015. In the application though the applicant has stated that the applicant vide sanction letter dated 24.01.2015 has sanctioned CCH Limit to the tune of ₹74.50 Crores and Term Loan of ₹22 Crores and the terms and conditions of the Sanction Letter was approved by the Corporate Debtor vide Board Resolution dated 23.03.15 but it is noted from the records and other corroborating documents that the first tranche of credit line was sanctioned vide letter dated 13.01.2015 and not 24.01.2025 as submitted by the applicant. It was also clarified by the applicant during hearing that the abovementioned Credit Limit was sanctioned by the Consortium and PNB's share in CCH limit was ₹39.50 out of ₹74.50 Crores and in the Term Loan its share was ₹10 Crores out of ₹22 Crores. In furtherance of the sanction,




loan documents that included a Working Capital Consortium Agreement dated 24.03.2015, a Joint Deed of Hypothecation dated 24.03.2015, Term Loan Agreement dated 24.03.2015 between the respondent and the Consortium & an Inter-Se agreement between the participating banks of the Consortium dated 24.03.2015, was executed.

**ii.** Subsequently the Consortium upon the proposal of the Corporate Debtor enhanced the CCH limit from ₹74.50 Crores to ₹94.50 Crores and sanctioned Non-Fund Based Credit Facility to the tune of ₹ 20 Crores. The total credit facilities extended by the consortium after this sanction amounted to ₹129.93 Crores which included the outstanding Term loan sanctioned earlier in the first tranche on 13.01.2015. Both the banks who are part of the consortium issued different Sanction Letters in effect of the same. Union Bank of India issued sanction letter on 17.03.2018 and the applicant bank vide sanction letter dated 24.01.2018 enhanced its share of CCH limit to ₹50.10 Crores from ₹39.50 Crores and sanctioned the Non-Fund Based Credit Facility to the tune of ₹10.60 Crores under certain terms and conditions as enumerated in the sanction letter dated 24.01.2018 which was approved by the Corporate Debtor vide board resolution dated 26.03.2018.


In line of the board resolution and sanction letter loan documents *inter alia* loan agreement dated 27.03.2018 and a joint Deed of hypothecation were executed between the applicant and respondent.

Deeds of Guarantee were executed in favor of the Applicant bank, being the lead bank in the Consortium, by Deepak Kumar Agarwal, Ritesh Agarwal who are the Directors of the Corporate Debtor, Ramanlal Agarwal, a Third-Party Guarantor and two Corporate Guarantors i.e. M/s Anubhuti Vanijya Pvt Ltd & M/s Longview Financial Management Private Ltd.



**iii.** The Applicant Bank in April 2020 sanctioned ₹5 Crores (10% of Fund Based Working Capital Limit i.e. ₹50.10 Crores) Covid-19 Emergency Credit Facility (CECF) vide sanction letter dated 16.04.2020 in favour of the Corporate Debtor. A board resolution was passed by the Corporate Debtor on 16.04.2020 by virtue of which One Mr. Deepak Kumar Agarwal, Director of the Corporate Debtor was authorised to execute documents on behalf of the Corporate Debtor to avail the CECF. Subsequently to avail the CECF, requisite loan documents *inter alia* a Deed of Hypothecation of Goods and Book Debts dated 17.04.2020 was executed between the financial Creditor and Corporate Debtor, a promissory note dated 17.04.2020 for a sum of ₹5 Crores was issued by the Corporate Debtor and Guarantee was provided by Deepak Agarwal & Ritesh Agarwal who are the Directors of the Company, Third Party Guarantees were provided by one Ratanlal Agarwal & Preeti Agarwal and Corporate Guarantees were provided by M/s Longview Financial Management Private Ltd. & M/s Anubhuti Vanijya Pvt vide respective Guarantee Agreements, all dated 17.04.2020.

**iv.** Corporate Debtor to meet its additional requirement of funds vide its Board Resolution dated 17.12.2020 authorised the company to approach the applicant bank for securing Working Capital Term Loan Limit under the bank's Guarantee Emergency Credit Line (GECL) scheme up to the tune of ₹11.90 Crores & authorised Deepak Kumar Agarwal, Director of the Corporate Debtor, to execute all necessary documents on behalf of the Corporate Debtor. The GECL Limit -I (*supra*) to the tune of ₹11.90 Crores (20% of 59.50 Crores i.e. the outstanding amount of cash credit and Term Loan as on 29.02.2020) was granted by Applicant Bank, under GECL scheme of the Bank under ZOCAC powers, vide sanction letter dated 17.12.2020 and a Deed of Hypothecation of



goods and book debts dated 17.12.2020 was executed by the respondent in favour of the applicant to avail the GECL Limit-I.

v. The Corporate Debtor again vide its Board Resolution dated 18.01.2021 authorised the company to approach the applicant bank for securing Working Capital Term Loan (WCTL) under GECL scheme up to the tune of ₹9.68 Crores & authorised Deepak Kumar Agarwal, Director of the Corporate Debtor, to execute all necessary documents on behalf of the Corporate Debtor. The GECL Limit-II (*supra*) to the tune of ₹ 9.68 Crores (*20% of the outstanding amount of cash credit and Term Loan from Union bank of India as on 29.02.2020*) was granted by Applicant Bank under GECL scheme of the Bank under ZOCAC powers, vide sanction letter dated 17.03.2021. This was the last tranche of credit facility extended by the applicant to the respondent before filing of the present petition. To avail the GECL Limit -II a Deed of Hypothecation of goods and book debts dated 17.03.2021 and Working Capital term Loan Agreement for existing user dated 17.03.2021) was executed between the applicant bank and respondent company. Furthermore, the Corporate Debtor also issued a Promissory note dated 17.03.2021 for a sum of ₹9.68 crores in favour of the applicant and Corporate Guarantees were executed by M/s Longview Financial Management Private Ltd. & M/s Anubhuti Vanijya Pvt Ltd. to secure the payment of amount, which at any time may be due in respect of the total credit facility extended by the applicant bank total amounting to ₹98.94 Crores as on 17.03.2021 which included already existing sanctioned CCH Limit, outstanding Term Loan, CEFC, GECL Limit-I and the GECL Limit-II.

5. Upon perusal of the documents brought on record by the Applicant, it is evident that the Corporate Debtor had secured total Fund Based (FB) credit facilities to the tune of ₹87.18 Crores from the Applicant Bank which includes CCH Limit of ₹50.10 Crores, Term Loan



of ₹10.50 Crores, CEFC of ₹5 Crores, GECL Limit-1 of ₹11.90 Crores and GECL Limit-II of ₹9.68 Crores and the total outstanding amount, inclusive of loan related expenses, as on 31.03.2023 can be summarized as follows:

<b>Type of Facility</b>	<b>Sanctioned Limit</b>	<b>Outstanding Due as on 31.03.2023 (including unpaid interest)</b>
CCH Limit	₹ 50,10,00,000/-	₹74,05,73,226/-
Term Loan	₹10,60,00,000/-	₹1,41,29,612/-
CEFC	₹5,00,00,000/-	₹2,62,28,379/-
GECL Limit-I	₹11,90,00,000/-	₹13,68,55,347/-
GECL Limit-II	₹9,68,00,000/-	₹11,11,21,002/-
<b>Total Credit</b>		<b>₹102,89,07,566/-</b>
Loan related Expenses	NA	₹55,00,000/-
<b>Total Outstanding</b>	₹87,28,00,000/-	<b>₹103,44,07,566/-</b>

6. It is noted that the contention of the respondent that the credit facility was extended to it by the consortium and the default amount as stated in the application comprises of the credit facility extended by the consortium and not the applicant alone does not hold ground because as per documents placed on records, the default amount as mentioned in the petition is attributable to the applicant alone.

The applicant has satisfactorily clarified, as already discussed above, that only the share belonging to the applicant has been taken into consideration while filing this application and the same has also been corroborated by the materials brought on record by the applicant.



**7.** The respondent has also contended that the Record of Default certificate issued by NeSL and attached with the application shows the default amount to be ₹ 73,25,47,317/- and there exist no record of default or any other documents with respect to the remaining ₹30,18,60,249/-. The applicant during the course of hearing has placed on record the Record of Default (RoD) certificate with respect to the CCH Limit of ₹50.10 Crores which after accrual of the interest has become ₹74,05,73,226/- as on 31.03.2023. In regard to the Term Loan, CEFC, GECL-I and GECL-II the applicant had relied on the statements of account of the respondent. Furthermore, along with its written note of arguments the applicant, to corroborate the statement of accounts, has also placed on record of Default certificates issued by NeSL pertaining to the Term Loan, CEFC, GECL-Limit I and GECL Limit-II. Upon careful perusal of the same, it is conclusively inferred that that the outstanding amount payable, with respect to the credit facilities, by the respondent as per various NeSL certificates is ₹102,89,07,566/-.

It is important to point out here that in the application at para 17 of synopsis the applicant has admitted to have received of ₹1,21,04,711.81 after 31.03.2023 whereas the same has not been computed while giving the debt information in Part-IV of the application. Nevertheless, the total debt even after the adjustment of the such amount paid, would remain much higher to the threshold limit of Rs 1 crore.

**8.** Now the question that arises before us to adjudicate is as to whether there exists a default on part of the respondent. Upon perusal of the various loan documents executed between the applicant and respondent, it is noted that the relevant 'Repayment Clause' at Clause 11 of Article -I in Working Capital Consortium Agreement dated 24.03.2015 through which CCH to the tune of ₹ 39.50 Crores was granted and clause 10 of Article -I of the Working Capital Consortium




Agreement dated 27.03.2018, through which the CCH limit was enhanced to ₹ 50.10 Crores, provides that the loan amount is repayable on demand.

For ready reference clause 11 of Article I Working Capital Consortium Agreement dated 24.03.2015 is reproduced herein as follows:

*11. The Borrower hereby covenants with each of the said Banks that unless otherwise agreed to by the said Banks or anyone or more of them, the Borrower **shall repay the said Facilities to each of the said banks forthwith on demand** of all such amounts as may be standing at the foot of the Account(s) together with interest (including the interest accrued but not debited, to the account), compound interest, additional interest, liquidated damages, costs, charges ,expenses, commission, margin and other moneys thereon at the rate or rates as may be applicable thereto as set out in the sanction letters of the said banks. Failure of the Borrower to repay shall entail in the Borrower being treated as a defaulter and the amount due as in default invoking the provisions as to defaults as herein after stated.*

Clause 10 of Article I of the Working Capital Consortium Agreement dated 27.03.2018 is also reproduced herein as follows:

*10. The Borrower hereby covenants with each of the said Banks that unless otherwise agreed to by the said Banks or anyone or more of them, the Borrower **shall repay the said Facilities to each of the said banks forthwith on demand** of all such amounts as may be standing at the foot of the Account(s) together with interest (including the interest accrued but not debited, to the account), compound interest, additional interest, liquidated damages, costs, charges ,expenses, commission, margin and other moneys thereon at the rate or rates as may be applicable thereto as*



*set out in the Third Schedule, hereunder written. Failure of the Borrower to repay shall entail in the Borrower being treated as a defaulter and the amount due as in default invoking the provisions as to defaults as herein after stated.*

9. The term loan agreement at clause 3.1 specifies that the principal amount is payable in 24 equal quarterly installments starting from April-June 2016 quarter and the interest to be paid on a monthly basis. The 24 quarters term ended with quarter ending June 2022 but as evident from the documents placed on record, the term loan and its outstanding interests has not been paid by respondent within the designated period. For brevity the relevant clauses are reproduced hereinbelow:

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*3.1 REPAYMENT*

*(a) The Borrower undertakes to repay the principal amounts in the same currency of Loans to each of the Lenders in 24 equal quarterly installments for principal starting from April-June 2016 quarter and interest to be paid as and when levied.*


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Moreover, in addition to the Repayment clause there exist a clause at 6.6 which enumerates 9 (Nine) different events of Defaults on happening of which the outstanding principal amount and interest accrued thereon becomes payable on demand.

Clause 6.6 of the Term Loan Agreement is reproduced hereinbelow:

*6.6 Events of Default and Remedies*

*Without prejudice to its other rights herein, the Lenders obligations to make available or continue the Loans available to the Borrower shall cease and **all outstanding principal under this Agreement and the interest accrued thereon,***



*shall become payable on demand if any of the following events occur:*

**10.** Both GECL Limit-I and GECL Limit-II sanctioned on 17.12.2020 and 17.03.2021 respectively were sanctioned for period of 60 months including moratorium period of 12 months but the common Clause 3.2 present under the head 'Repayment' in the Hypothecation agreement dated 17.12.2020 and 17.03.2021 with respect to GECL Limit-I and GECL limit-II respectively specifies that the loan amount is a payable on demand. The relevant clause is reproduced as follows:

*3.2 Regardless of the period for which the Facilities have been granted, the Borrower shall on Demand pay to the balance then outstanding in the Accounts inclusive of interest and all other charges as mentioned in this Deed.*

**11.** It is noted that in the petition it has been stated that demand notice as sent on 30.07.2022 to the respondents and the Guarantors in individual capacity demanding payment of the outstanding amount in whole, but no copy of such demand notice has been annexed but it is a fact that the service of such demand notice has also not been objected to by the respondent and hence we have no reason to doubt such submission. As such we hold that the respondent has defaulted in payment of debt, which is much above the threshold limit of Rs 1 Crore.

**12.** As far as the point of limitation is concerned, the applicant has stated in its application that the date of default is 29.11.21 but upon perusal of the Record of Default Certificate issued by NeSL it is noted that the Date of Default is 28.11.2021 and not 29.11.2021. The date of Default has not been not challenged by the Respondent at any stage of the proceedings and even otherwise there is a difference of one day only and this difference does not have any bearing on the limitation. This



application was filed on 05.06.2023 hence this application is well within the 3 years limitation period of IBC, 2016.

Moreover, the respondent has also on multiple occasions through Revival Letter, Balance of Confirmation letter and Letter of continuity dated 02.05.2019, 31.03.2021 and 30.07.2022 respectively has acknowledged the dues which shows that there has been no dispute regarding the quantum of the credit facility extended to the respondent and the same as been accepted by the respondent at various instances prior to the filing of this application.

**13.** In view of the forgoing, we are convinced that the loan amount was duly disbursed to the Corporate Debtor by the Petitioner/Financial Creditor, i.e., Punjab National Bank. The requisites of an application under Section 7 of IBC are available on record and duly proved. Further, the petition is also not barred by limitation and the debt in default is much above the threshold limit of Rs.1 Crore. In the above stated circumstances, we do not find any reason for not admitting this petition.

**14.** The Petitioner has proposed the name of IRP Mr. Asish Arjukumar Rathi having Registration No. IBBI/IPA-001/IP-P000568/2017-18/11010 and Email Id: ipaashisrathi@gmail.com residence at 19/503, NRI Complex, Section 54, 56, 58, Seawood, Nerul, Navi Mumbai, Maharashtra-400706. There is nothing on record to show that any disciplinary proceeding is pending against the proposed IRP. This application is defect free.

**15.** We, therefore, consider it a fit case for admitting the petition, and for initiation of Corporate Insolvency Resolution Process in respect of the Corporate Debtor i.e., Goyal Energy and Steel Private Limited




**16.** In view of the aforesaid observations, we hereby admit the petition and pass the following Orders: -

**i.** The Petition bearing CP (IB) No. 41/CB/2023 filed by Punjab National Bank under Section 7 of the Code read with rule 4(1) of the Insolvency & Bankruptcy (Petition to Adjudicating Authority) Rules, 2016 for initiating CIRP against **GOYAL ENERGY AND STEEL PRIVATE LIMITED** [CIN: U04010CT2004PTC017211], the Corporate Debtor, is **ADMITTED**.

**ii.** The moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 is declared for prohibiting all of the following in terms of section 14(1) of the Code -

- 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 Securitisation 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.*

**iii.** The order of moratorium shall have effect from the date of this order till the completion of the Corporate Insolvency Resolution Process until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of section 31 or passes an order for




liquidation of Corporate Debtor under section 33 of the Insolvency & Bankruptcy Code, 2016, as the case may be.

**iv.** As proposed by the Financial Creditor **MR. ASISH ARJUKUMAR RATHI** having Registration No. **IBBI/IPA-001/IP-P000568/2017-18/11010** and Email Id: [ipaashisrathi@gmail.com](mailto:ipaashisrathi@gmail.com) residence at 19/503, NRI Complex, Section 54,56,58, Seawood, Nerul, Navi Mumbai, Maharsatra-400706 is hereby appointed as Interim Resolution Professional (IRP) of the Corporate Debtor to carry out the functions as per the Code, subject to his possessing a valid Authorisation for Assignment (AFA) in terms of 7A of the Insolvency and Bankruptcy Board of India (Insolvency Professional) Regulations, 2016.

**v.** The IRP so appointed shall make a public announcement of initiation of Corporate Insolvency Resolution Process (CIRP) and call for submission of claims under Section 15 as required by section 13(1) (b) of the Code.

**vi.** The supply of essential goods or services to the corporate debtor, if continuing, shall not be terminated or suspended, or interrupted during the moratorium period. The corporate debtor to provide effective assistance to the IRP as and when he takes charge of the assets and management of the corporate debtor.

**vii.** The IRP shall perform all his functions as contemplated, *interalia*, by sections 17, 18, 20 & 21 of the Code. It is further made clear that all personnel connected with Corporate Debtor, its Promoter or any other person associated with management of the Corporate Debtor are under legal obligation under section 19 of the Code extending every assistance and co-operation to the Interim Resolution Professional. Where any personnel of the Corporate



Debtor, its Promoter or any other person required to assist or co-operate with IRP, do not assist or co-operate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.


**viii.** The IRP shall be under duty to protect and preserve the value of the property of the 'Corporate Debtor' and manage the operations of the Corporate Debtor as a going concern as a part of obligation imposed by section 20 of the Insolvency & Bankruptcy Code, 2016.

**ix.** The IRP/RP shall submit to this Adjudicating Authority periodical reports concerning the progress of the CIRP in respect of the Corporate Debtor.

**x.** The Financial Creditor shall deposit a sum of ₹2,00,000/- (₹ Two Lakhs only) with the within two weeks from the date of receipt of this order for the purpose of smooth conduct of Corporate Insolvency Resolution Process (CIRP) and IRP to file proof of receipt of such amount to this Adjudicating Authority along with First Progress Report. Subsequently, IRP may raise further demands for Interim funds, which shall be provided as per Rules.

**xi.** In terms of section 7(7)(a) of the Code, the Registry is hereby directed to communicate a copy of this order to the Financial Creditor, Corporate Debtor and to the Interim Resolution Professional and the concerned Registrar of Companies, within seven (7) working days and upload the same on website immediately after pronouncement of the order.

**xii.** The IRP shall also serve a copy of this order to the various departments such as Income Tax, GST, State Commercial Tax, and



Provident Fund etc. who are likely to have their claim against Corporate Debtor as well as to the trade unions/employee's associations so that they are informed of the initiating of CIRP against the Corporate Debtor timely.

**xiii.** The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order

**17.** The Resolution Professional shall submit his periodic reports before this Adjudicating Authority as per rules/ regulations.

**18.** The petition CP (IB) No 41/CB/2023 stands allowed.

**Sd**

**KAUSHALENDRA KUMAR SINGH**  
Member (Technical)

**Sd**

**DEEP CHANDRA JOSHI**  
Member (Judicial)

*(Vivek Arun Das, LRA)*