



**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**JAIPUR BENCH**

**CORAM: SHRI DEEP CHANDRA JOSHI,**  
**HON'BLE JUDICIAL MEMBER**

**SHRI PRASANTA KUMAR MOHANTY,**  
**HON'BLE TECHNICAL MEMBER**

**CP No. (IBPP)- 01/54C/JPR/2022**

**IN THE MATTER OF:**

**SHREE RAJASTHAN SYNTEX LTD.**

**...Applicant/Corporate Debtor**

**VERSUS**

**STATE BANK OF INDIA & ORS.**

**...Respondent/ Financial Creditors**

**MEMO OF PARTIES**

**Shree Rajasthan Syntex Limited**

R/o: 27-A, First Floor, Meera Nagar,  
Housing Board Colony, Udaipur,  
Rajasthan- 313001

**...Applicant/Corporate Debtor**

**VERSUS**

**1. STATE BANK OF INDIA**

Stressed Assets Management Branch-  
II, 1<sup>st</sup> Floor, STC Building 1, Tolstoy  
Marg, Janpath, New Delhi- 110001

**2. IDBI BANK LTD.**

NPA Management Group, Videocon  
Tower, 1<sup>st</sup> Floor, Jhandenwalan  
Extension New-Delhi-110005

**3. BANK OF BARODA**

Branch Office at Bank of Baroda  
ROSARB, II Floor, Baroda Bhawan,  
13 Airport Plaza, Durgapura, Tonk  
Road, Jaipur-302018

**...Respondents/Financial Creditors**



**FOR THE APPLICANT** : Prakul Khuwana, Adv.  
Ankit Sareen, Adv.

**FOR THE RESPONDENTS** : Anubha Singh, Adv.  
Suruchi Kasliwal, Adv.  
Ashish Tiwari, Adv.  
Aryan Singh, Adv.  
Vikram Singh, Adv.  
Vikas Ladia, AR

**Order Pronounced On: - 19.04.2023**

**ORDER**

**Per: Shri Deep Chandra Joshi, Judicial Member**

1. This present Company Petition has been filed under Section 54C of the Insolvency and Bankruptcy Code, 2016 ('Code'/'IBC') for seeking initiation of Pre-Packed Insolvency Resolution Process ('PPIRP') in respect of the Corporate Debtor namely *M/s Shree Rajasthan Syntex Limited*. The present application has been filed through Mr. Vikas Ladia, Managing director of the Corporate Debtor who has been authorized vide Board Resolution dated 07.05.2022 annexed as Enclosure-1 at Page 11 of the Application.
2. The Corporate Debtor is public listed company registered under the Companies Act, 1956 holding CIN L24302RJ1979PLC001948 having its registered office in the State of Rajasthan and is engaged in the business of manufacturing synthetic spun yarns, cotton yarns and polypropylene yarns. It is a registered MSME having Udyam Registration Certificate No. UDYAM-RJ-33-0000458 dated 21.07.2020.



3. The Applicant has submitted that the company was performing well until Financial Year 2014, however, from Financial Year 2015, various operational and external challenges were faced and the company has been incurring losses since Financial Year 2015 on account of the following reasons which led to complete erosion of net worth of the Company:

3.1. *Servicing of debt without cash accruals:* The Company started witnessing the liquidity pressure and requested the lenders to find solution which was recorded in the meeting of consortium of banks dated 08.06.2016, however, despite low/no cash accruals, the Company continued to service its debt (interest and principal) till July 2017 as advised leading to depletion of working capital funds, lower capacity utilization and consequently further cash losses. Moreover, the Company paid Rs. 47 Crores towards principal during Financial Year 2015 to 2018 over and above the interest amount of about Rs. 60 Crores.

3.2. *Closure of 8 MW Captive Power Plant:* The Company had setup 8 MW Thermal Power Plant at a cost of about Rs. 35 Crores in the year 2008 wherein the project was funded with a Term Loan of Rs. 16.25 Crores from SBI and a Term Loan of Rs. 10 Crores by IDBI Bank. The closure of the plant pursuant to ban on use of Pet Coke in Delhi, Haryana and Rajasthan led to the Corporate Debtor sourcing power from State Discom at much high rate resulting in higher input cost for



the company with 18-20% of sales turnover against benchmark of 11-12% earlier. The investment of Rs. 35 Crore turned bad and the term loans continued to attract interest cost of Rs. 1.5 Crore per annum.

- 3.3. *Other Factors:* There are other factors which affected the operating and financial performance of the Company are (i) volatile raw material prices coupled with low bargaining power with raw material suppliers, (ii) inability to offer credit to customers and agreeing for cash discounts for quick payments, (iii) High Finance Charges (interest cost of 13-14%) and (iv) inadequate level of operations to cover the fixed costs.
4. The Corporate Debtor has submitted that the 2 out of the company's 4 spinning plants are lying shut since April 2019 and March 2020. On the other hand, the Thermal Power Plant remains shut since 2017 due to ban on use of pet coke in Delhi, Haryana and Rajasthan. The other 2 plants run on occasional basis as per availability of Job Work from the customers. In these circumstances, the Corporate Debtor is unable to make timely payments and the net current assets of the Corporate Debtor cannot satisfy the debt obtained from the Operational Creditors.
5. The Corporate Debtor has submitted its proposed plan of operations wherein it shall continue to- run its Texchem Plant and produce Raw White Spun Yards; run its Filament Plant and produce PP Filament Yarns; exit the dyed yarn business made in Syntex Plant; exit the cotton yarn



business made in Polycot Plant and dismantle its Captive Thermal Power Plant.

6. The Corporate Debtor submits that there exists an outstanding liability of Rs. 30.81 Crores towards the Financial Creditors, Rs. 7.87 Crores towards the Operational Creditors and Rs. 1.87 Crores towards Workmen and Employees. The Base Resolution Plan has been approved by 79.12% of the Financial Creditors. Moreover, the Corporate Debtor submits that the Base resolution Plan includes infusion of Rs. 15.00 Crores by Investor/Promoter/Sale of Other Assets and Rs. 15.81 Crores from the sale of obsolete Plant and Machinery. The Base Resolution Plan further enunciates the bank wise proposed distribution as below:

<b>Name of Bank</b>	<b>O/s Amount</b>	<b>% of Total exposure</b>	<b>Payment Proposed under Plan</b>	<b>Additional Payment for interest (*)</b>	<b>Total Payment under Plan</b>	<b>% Payment of Outstanding</b>
<i>State Bank of India</i>	<i>43.33</i>	<i>43.30</i>	<i>13.00</i>	<i>0.30</i>	<i>13.30</i>	<i>30.70%</i>
<i>IDBI Bank</i>	<i>33.03</i>	<i>33.00</i>	<i>10.00</i>	<i>0.23</i>	<i>10.23</i>	<i>30.90%</i>
<i>Bank of Baroda</i>	<i>13.62</i>	<i>13.61</i>	<i>4.09</i>	<i>0.09</i>	<i>4.18</i>	<i>30.70%</i>
<i>Bank of Baroda Exclusive Loan</i>	<i>10.10</i>	<i>10.09</i>	<i>3.03</i>	<i>0.07</i>	<i>3.10</i>	<i>30.70%</i>
<b>Total</b>	<b>100.08</b>	<b>100.00</b>	<b>30.12</b>	<b>0.69</b>	<b>30.81</b>	

*(\*) Additional payment of Interest @ 7% p.a. for a period of 120 days has been considered towards the period prior to NCLT Order approving the Plan under PPRIP i.e. 15.07.2022 to 15.11.2022*



7. The Statutory Compliances as envisaged in the Code for initiation of Pre-Packed Insolvency Resolution Process as mentioned by the Corporate Debtor are as follows:

7.1. The Corporate Debtor is a duly registered MSME (Micro, Small & Medium Enterprise) under the MSME Act, 2002. Copy of the UDYAM (Udyog Aadhar Memorandum) Registration Certificate has been annexed at Page 12 of the Application and the same has been verified from the database available online by The Ministry of Micro, Small and Medium Enterprises. Moreover, the Corporate Debtor has filed a detailed Affidavit along with annexures vide Diary No. 2654/2022 dated 05.09.2022 affirming that it has been classified as an Small Enterprise under the MSME Classification for the Financial Year 2020-21.

7.2. A copy of declaration given by the majority of the directors of the Corporate Debtor for filing and initiating PPIRP dated 17.05.2022 as required in Section 54A(2)(f) of the Code has been annexed as Annexure V of the Application at Page No. 64.

7.3. A copy of the special resolution dated 10.06.2022 passed by the members of the Corporate Debtor to initiate the PPIRP in compliance with Section 54A(2)(g) of the Code has been annexed as Annexure VI at 67 of the Application.



- 7.4. The Approval of the Creditors under Section 54A(3) of the Code dated 21.07.2022 for filing an Application seeking initiation of PPIRP of the Corporate Debtor has been annexed vide Annexure VII at Page 69 of the Code.
- 7.5. The Approval of the Creditors under Section 54A(2)(e) of the Code dated 21.07.2022 for appointment of the Proposed Resolution Professional i.e. Shri Lekhraj Bajaj has been placed on record vide Annexure-III at Page 60 of the Application.
- 7.6. The Written Consent dated 11.07.2022 of the proposed Resolution Professional Shri Lekhraj Bajaj having registration number IBBI/IPA/002/IP-N00039/2016-17/10078 has been annexed as Annexure IV at Page 62 of the Application.
- 7.7. Report of the Insolvency Professional dated 21.07.2022 as referred to under Section 54B(1)(a) stating that (i) the Corporate Debtor has not undergone PPRIP in the previous 3 years from the date of filing this Application, (ii) Corporate Debtor is not undergoing CIRP, (iii) No liquidation order has been made with respect to Corporate Debtor, (iv) the Base Resolution Plan complies with Section 30(1), Section 54K and Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021 and other things has been annexed as Annexure VII at Page 71 of the Application.



- 7.8. The Declaration as envisaged under Section 54C(3)(c) of the Code stating that the Corporate Debtor has not been subject to any transaction within the meaning and scope of Chapter III or Chapter VI of the Code dated 21.07.2022 has been annexed as Annexure IX at Page 73 of the Application.
- 7.9. An Affidavit in compliance of Section 54A(2)(d) dated 25.07.2022 stating that the Corporate Debtor is eligible under Section 29A of the Code to submit a Resolution Plan has been annexed as Annexure X At Page 74 of the Application.
8. The Respondent No. 3 namely, *Bank of Baroda* holding 20.88% of Debt in the Corporate Debtor, filed Preliminary Objections vide Diary No. 2663/2022 dated 05.09.2022 questioning the maintainability of this Petition filed by the Corporate Debtor under Section 54C of the Code. The Respondent No. 3 has objected on two points (i) the Corporate Debtor cannot be categorized as MSME under the Micro, Small and Medium Enterprises Development Act, 2006 as it does not fall within revised criteria in accordance with the notification issued on 26.06.2020 and (ii) that this Application has been filed as a response to the Application filed by the Respondent No. 3 to initiate CIRP against the Corporate Debtor under Section 7 of the Code.
9. The Respondent No. 2 namely, *IDBI Bank* holding 28.39% of Debt in the Corporate Debtor, filed reply to the Application vide Diary No. 2806/2022



dated 20.09.2022 wherein it has been submitted that the Respondent No. 2 has given its assent with respect to the PPIRP of the Corporate Debtor. The Respondent No. 1 namely, State Bank of India holding 50.73% debt in the Corporate Debtor, filed its reply vide Diary No. 3136/2022 dated 20.10.2022 wherein it has been asserted that the Respondent No. 3 proceeded to file an Application under Section 7 of the Code without informing the Corporate Debtor or the other two consortium members even though negotiations were pending between the Corporate Debtor and Respondent No. 3 regarding the finalization of proposal from 04.02.2022 till 17.04.2022. Further, it has been asserted that despite Application under Section 7 of the Code, the Respondent No. 3 has all along been participating in the meetings being held by the Applicant which is established from the minutes of the meeting held on 21.07.2022.

10. The Corporate Debtor has filed an Application bearing number *IA(IBC) No. 51/JPR/2023* vide Diary No. 184/2023 dated 19.01.2023 wherein it has prayed for adjudication of the Application filed under Section 54C of the Code before the final adjudication of the Section 7 Application filed by the Respondent No. 3 so as to fulfil the intent with which the provisions relating to PPIRP were incorporated under the Code. The Applicant has also submitted two sets of written submissions vide Diary No. 315/2023 dated 06.02.2023 and Diary No. 401/2023 dated 14.02.2023.



11. Thereafter, another Application bearing *IA(IBC) No. 82/JPR/2023* was filed by the Corporate Debtor stating that the Respondent No. 3 vide letter dated 07.02.2023 had demanded the possession of the Secured Assets of the Corporate Debtor in lieu of notice dated 15.09.2020 issued under Section 13(2) of the SARFAESI Act, 2002. Since the Application filed by the Respondent No. 3 under Section 7 of the Code against the Corporate Debtor and Application filed by the Corporate Debtor under Section 54C of the Code were heard and order was reserved, this Authority vide Order dated 10.02.2023 directed the Respondent No. 3 not to take any coercive action with regard to the possession of the property of the Corporate Debtor till disposal of the Applications under Section 7 and Section 54C of the Code.
12. The model of Pre-Packed Insolvency Resolution process was introduced by the Government of India on 04.04.2021 through The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021. The same was later assented to by the legislature vide The Insolvency And Bankruptcy Code (Amendment) Act, 2021 notified on 12.08.2021. The concept of PPIRP was introduced when the country's economy was facing the adverse effects of COVID-19 with the following objectives:

*“...AND WHEREAS micro, small and medium enterprises are critical for India's economy as they contribute significantly to its gross domestic product and provide employment to a sizeable population;*



*AND WHEREAS it is considered necessary to urgently address the specific requirements of micro, small and medium enterprises relating to the resolution of their insolvency, due to the unique nature of their businesses and simpler corporate structures;*

*AND WHEREAS it is considered expedient to provide an efficient alternative insolvency resolution process for corporate persons classified as micro, small and medium enterprises under the Insolvency and Bankruptcy Code, 2016, ensuring quicker, cost-effective and value maximising outcomes for all the stakeholders, in a manner which is least disruptive to the continuity of their businesses and which preserves jobs;*

*AND WHEREAS in order to achieve these objectives, it is considered expedient to introduce a pre-packaged insolvency resolution process for corporate persons classified as micro, small and medium enterprises;*

*AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;”*

13. Hence, it is safe to postulate that the purpose for which the PPRIP was introduced was to ensure that timely, cost-effective and value maximizing outcomes for the stakeholders of a MSME. Along with the process of PPIRP, the Amendment further advanced Section 11A of the Code which shines light upon multiple scenarios where matters are already pending against the Corporate Debtor seeking to initiate PPIRP. The particular section which reads as follows:

*“11A. Disposal of applications under section 54C and under section 7 or section 9 or section 10.*

*(1) Where an application filed under section 54C is pending, the Adjudicating Authority shall pass an order to admit or reject such application, before considering any application filed under section 7 or section 9 or section 10 during the pendency of such*



*application under section 54C, in respect of the same corporate debtor.*

- (2) Where an application under section 54C is filed within fourteen days of filing of any application under section 7 or section 9 or section 10, which is pending, in respect of the same corporate debtor, then, notwithstanding anything contained in sections 7, 9 and 10, the Adjudicating Authority shall first dispose of the application under section 54C.*
- (3) Where an application under section 54C is filed after fourteen days of the filing of any application under section 7 or section 9 or section 10, in respect of the same corporate debtor, the Adjudicating Authority shall first dispose of the application under section 7 or section 9 or section 10.*
- (4) The provisions of this section shall not apply where an application under section 7 or section 9 or section 10 is filed and pending as on the date of the commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2021.]*

14. We come across 4 scenarios under Section 11A of the Code which are categorized as follows:

- 14.1. When application under Section 54C is filed before any Section 7, 9 or 10 Application, the said application shall be adjudicated first.
- 14.2. When application under Section 54C is filed within 14 days of filing application under Section 7, 9 or 10 Application, the application under Section 54C shall be disposed of first.
- 14.3. When application under Section 54C is filed after 14 days of filing application under Section 7, 9 or 10, the Application under Section 7, 9 or 10 shall be adjudicated first.
- 14.4. When applications under Section 7, 9 or 10 were filed before commencement of Insolvency and Bankruptcy Code (Amendment) Act, 2021, this provision shall not be applicable.



15. Section 11A plays a key role in adjudication of the matter at hand. The Application preferred by the Respondent No. 3 i.e. Bank of Baroda under Section 7 of the Code numbered as *CP No. (IB)- 28/7/JPR/2022* was filed on 18.04.2022. Notices were issued in the Section 7 Application on 04.05.2022 to the Corporate Debtor. The Corporate Debtor preferred an Application bearing *IA(IBC)No.236/JPR/2022* with a prayer seeking condonation of delay in filing PPIRP application. The Corporate Debtor in the above application has submitted that majority of the Consortium of Banks i.e. State Bank of India and IDBI Bank had consented to the Proposal offer of approx. Rs. 30 Crores vide letter dated 29.03.2022 and 13.04.2022.
16. In this scenario under consideration, the instance is the one listed under Section 11A(3), i.e. when the application under Section 54C is filed after 14 days of filing an application under Section 7 of the Code, the said application under Section 7 of the Code shall be adjudicated first. There is no doubt that the said application under Section 7, i.e. *CP No.(IB)- 28/7/JPR/2022* was filed on 18.04.2022 which is before the application under Section 54C i.e. 26.07.2022 but it is seen that at the time of filing of the Section 7 Application, the Applicant had already initiated the process of sending proposal to the Financial Creditors and was seeking their consent which is a mandate to go ahead with the PPIRP. Hence, at the time of filing of Section 7 Petition under the Code, the Respondent No. 3 was



already aware that the Application under Section 54C of the Code was already in pipeline. From the documents produced before us, it is seen that the Corporate Debtor had already sought the approval of the Proposal with the consortium of banks.

17. The *IA(IBC) No. 236/JPR/2022* filed in the Section 7 Application clearly stipulates that the Corporate Debtor had offered proposal for payment of dues vide letter dated 06.08.2021 and subsequently, the Respondent No. 1 and 2 in the present matter had consented to the said proposal vide letter dated 29.03.2022 and 13.04.2022 respectively. It is pertinent to note that the Section 7 application was filed by the Respondent No. 3 when it knew that the Corporate Debtor was going to file PPIRP application before this Adjudicating Authority. When the Corporate Debtor came to know about the Section 7 application, it right away preferred the *IA(IBC) No. 236/JPR/2022*, so as to bring to the knowledge of this Authority that it had already initiated the process of seeking permission from the required members/stakeholders for filing Section 54C of the Code.

18. The provisions envisaged by the amendment necessitate that the Corporate Debtor before filing the application under Section 54C of the Code has to take and comply with multiple requirements as enumerated in the regulations and provisions of the Code which is no doubt a lengthy process. The Respondent No. 3, i.e. Bank of Baroda filed the application under Section 7 of the Code *CP No.(IB)-28/7/JPR/2022* to flout the



application which was sought to be filed by the Corporate Debtor under Section 54C of the Code.

19. Lord Campbell in *Liverpool Borough Bank v. Turner* [(1861) 30 LJ Ch 379] observed that “*it is the duty of the courts to get the real intention of the legislature by carefully attending the whole scope of the provision to be construed*”. Section 11A of the Code was introduced to ensure that matters of Section 7, 9 or 10 pending prior to the said amendment are not jeopardized and undue gain of Pre-Packed Insolvency Resolution Process is not availed by Corporate Debtors. It is no doubt that the Section enumerates various scenarios but these scenarios miss an important instance i.e. when the Corporate Debtor is in the process of availing sanctions so as to go ahead with the filing of an Application under Section 54C of the Code and one of the Financial Creditors to obstruct the application of PPRIP files an Application under Section 7 or 9. The judgment of the Hon’ble Supreme Court in *Swiss Ribbons vs. Union of India*; (2019) 4 SCC 17 noted that preserving the corporate debtor as a going concern, while ensuring maximum recovery for all creditors is the objective of the Code. Combined reading of the objectives laid down in the Code along with the ones enumerated above indicates that Pre Packed Insolvency Resolution Process of the MSMEs is endorsed as it ensures cost-effective and value maximising outcomes for all the stakeholders, in a



manner which is least disruptive to the continuity of their businesses and preserves jobs.

20. The Apex Court in the Judgment of *Sushil Kumar Sen v. State of Bihar*, (1975) 1 SCC 774 has observed that “ 6. ... ..*The humanist rule that procedure should be the handmaid, not the mistress, of legal justice compels consideration of vesting a residuary power in Judges to act ex debito justitiae where the tragic sequel otherwise would be wholly inequitable*”. In another matter of *Collector, Land Acquisition, Anantnag and Anr Vs Mst. Katiji and Ors*;(1987)2 SCC 107 the Apex Court has observed that “... *when substantial justice and technical considerations are pitted against each other, cause of substantial justice deserves to be preferred for the other side cannot claim to have vested right in injustice being done because of a non-deliberate delay*”.
21. It has been time and again held and reiterated in *R.N. Jadi & Brothers v. Subhashchandra*, (2007) 6 SCC 420 that “... *All the rules of procedure are the handmaid of justice. The language employed by the draftsman of processual law may be liberal or stringent, but the fact remains that the object of prescribing procedure is to advance the case of justice.*” In the current picture even though it is clear that the sub-section (3) of Section 11A mandates the Adjudicatory Authority to first dispose of the Application under Section 7, 9 or 10, it is important to note the undisputed principle of law which states that that procedural provisions are meant to



further the cause of substantive provisions. Therefore, considering the aforesaid legal principles it is pertinent to observe that in the present matter, even though the application under Section 54C of the Code was filed after 14 days of filing of the Section 7 Application, we hold it within the bounds of adjudication of this court.

22. In view of the foregoing and the object laid down by the IBC to ensure that the company remains a going concern, we hereby hold that allowing the present application would be in the interest of all the stakeholders of the Corporate Debtor. Moreover, it is important to note that the Corporate Debtor is a Public Limited Company and has invoked the provisions of Chapter III-A and states that it has approval of the requisite percentage of Financial Creditors. When the present Corporate Debtor has itself resolved to undergo PPIRP and make a payment of Rs. 30 Crores to the consortium bank, we find no reason to indulge in Section 7 application.
23. It is also submitted by the Respondent No. 1 and Respondent No. 2 that the Corporate Debtor is considered as MSME Unit and accordingly, they have given consents for PPIRP. It is also found that there are three(3) Financial Creditors and the Corporate Debtor has availed advance from three Banks under the Consortium. As per the guidelines of the Consortium, decision of the Lenders holding 75% or more share percentage in the consortium advance prevails. In this case, even if the exclusive loan of Respondent No. 3 is taken into consideration, the other two lenders hold more than



75% of the debt in the Corporate Debtor. It is also found that the issues of financial stress of Corporate Debtor and the proposal for initiating PPIRP of the Corporate Debtor were continuously being discussed in the Consortium Meeting all along. It was at this stage the Respondent No. 3 suddenly filed an Application under Section 7 of the Code. Subsequently, when the present matter under Section 54C and Application under Section 7 were being contended before this Bench, Respondent No. 3 vide letter dated 07.02.2023 demanded the possession of the Secured Assets of the Corporate Debtor, in lieu of the notice dated 15.09.2020 issued under Section 13(2) of the SARFAESI Act, 2002. The intent of the Respondent No. 3 behind such action could not be clarified; as even in case of the normal CIRP, decisions of Creditors holding more than 75% prevails. Consequently, this Authority vide order dated 10.02.2023 restrained the Respondent No. 3 from taking any coercive action with regard to the possession of the property till final disposal of the matters.

24. The Corporate Debtor has produced all the required documents and material in record in compliance of the provisions laid down under the Code. The Application is complete in all respects and meets the requirements mentioned in the Code. Therefore, we are inclined to admit this Application under Section 54C of the Code with the following directions:



- I. The application for Pre-Packaged Insolvency Resolution Process of M/s Shree Rajasthan Syntex Ltd. stands admitted under Section 54C of the Code.
- II. In view of the commencement of the PPIRP, the moratorium is declared, under Section 14 of the Code, 2016 for prohibiting all of the followings in terms of Section 14(1) of the Code.
  - A. The institution of suits of 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.



- III. The Resolution Professional Shri Lekhraj Bajaj having registration number IBBI/IPA/002/IP-N00039/2016-17/10078, email Id- is appointed as a Resolution Professional is directed to conduct Pre-Packaged Insolvency Resolution Process (“PPIRP”) as per the Provisions of Chapter III A of the Insolvency Regulations. Further, the Resolution Professional shall also perform her duties and functions as per the provisions given under Section 54F of the Code. However, during the process, the members of the Committee of Creditors are at liberty to negotiate with the Corporate Debtor for improvement of the Base Plan, both in amount and the terms of the payments/ resolutions.
- IV. This Adjudicating Authority directs the RP to make a public announcement of Pre-Packaged Insolvency Resolution Process (“PPIRP”) of the Corporate Debtor as per Section 54A of the Code and invite and collate the claim of the creditors.
- V. As mentioned under Section 54F(5), the personnel of the Corporate Debtor shall extend all assistance and cooperation to RP.
- VI. In case of non-cooperation, the RP can approach this Adjudicating Authority under Section 19(2) of the Code. The management of the Corporate Debtor shall remain vested with the Board of Directors of the Corporate Debtor as per the provisions of Section 54H subject to action under Section 54J of the Code, if, any. The Board of Directors



shall discharge their duties as specified under Section 54H(b) and Section 54H(c) of the Code.

VII. We direct Resolution Professional to file a report within thirty days to this Authority.

25. Therefore, the *CP No. (IBPP)-01/54C/JPR/2022* stands admitted. In view of the foregoing, pending IAs, if any, shall stand disposed of accordingly.

26. Let a copy of this order be supplied to the Applicant, Financial Creditors as well as the Interim Resolution Professional to carry out the PPIRP. A copy of this order shall also be communicated to IBBI for its records.

DEEP  
CHANDRA  
JOSHI  
DEEP CHANDRA JOSHI,  
JUDICIAL MEMBER

Digitally signed by DEEP CHANDRA JOSHI  
Date: 2023.04.19 17:56:36 +05'30'

PRASANTA  
KUMAR  
MOHANTY  
PRASANTA KUMAR MOHANTY,  
TECHNICAL MEMBER

Digitally signed by PRASANTA KUMAR MOHANTY  
Date: 2023.04.19 18:09:23 +05'30'