

IN THE NATIONAL COMPANY LAW TRIBUNAL
AT JAIPUR

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

SHRI VELAMUR G. VENKATA CHALAPATHY,
HON'BLE TECHNICAL MEMBER

CP No. (IB)- 41/7/JPR/2024

(Under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

IN THE MATTER OF:

STATE BANK OF INDIA

..... FINANCIAL CREDITOR

VERSUS

VIMLADEVI AGRO TECH LIMITED

.....CORPORATE DEBTOR

MEMO OF PARTIES

STATE BANK OF INDIA

Stressed Assets Recovery Branch
 (SARB), 3rd Floor, Matrix Mall, Sector-
 4, Jawahar Nagar, Jaipur-302004,
 Rajasthan

... Financial Creditor

VERSUS

VIMLADEVI ARGO TECH LIMITED

Kasra No. 168, Village Polai Kalan,
 Tehsil Digod, Kota-324009,
 Rajasthan

...Corporate Debtor

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CP No. (IB)- 41/7/JPR/2024

Counsel for the Financial Creditor: Shivangshu Naval, Adv.

Counsel for the Corporate Debtor : Prateek Kedawat, Adv.

Order Pronounced on: 25.02.2025

ORDER

Per: Shri Deep Chandra Joshi, Judicial Member

1. The present Application has been filed by *State Bank of India*, ('Applicant' / 'Financial Creditor') to initiate Corporate Insolvency Resolution Process ('CIRP') against *M/s Vimladevi Agrotech Limited* ('Respondent' / 'Corporate Debtor') under Section 7 of the Insolvency and Bankruptcy Code, 2016 ('IBC' / 'Code') read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 ('Rules').
2. The Corporate Debtor, *Vimladevi Agrotech Limited*, having its registered office at Kasra No. 168, village Polai Kalan Tehsil Digod, Kota (Rajasthan)-324009 through its authorized signatory *Shri Chandra Mohan Singhal* approached the Financial Creditor for availing various credit facilities such as Cash Credit (Hypothecation) Limit, Sub-Limit against the Book Debts and Term Loan.
3. Thereafter, upon receipt of the loan application from the Corporate Debtor, the Financial Creditor sanctioned the credit facilities of Rs. 5,30,00,000/- (Rupees Five Crore Thirty Lakhs Only) to the Corporate Debtor vide Letter of Arrangement dated 21.08.2010. The Loan was availed by the Corporate

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Debtor against the security of equitable mortgage of the immovable properties ("Mortgaged Properties") mentioned here as under:

- I. *Factory Land admeasuring 1.25 hectares and building situated at Khasra No. 168, Village Polai Kalan, NH-76, Tehsil Digod, District-Kota (Rajasthan) in the name of the Corporate Debtor.*
- II. *Residential Property i.e., part of Khasra No. 373, Kherliganj, Atru, Baran (Rajasthan), belonging to Sh. Giriraj Kumar.*
- III. *Residential Property i.e., part of Khasra No. 373, Kherliganj, Atru, Baran (Rajasthan). belonging to Sh. Chandra Mohan Singhal*
- IV. *Residential Property i.e., part of Khasra No. 373, Kherliganj, Atru, Baran (Rajasthan). belonging to Mrs. Gayatri Devi*
- V. *Residential Property i.e. part of Khasra No. 373, Kherliganj, Atru, Baran (Rajasthan), belonging to Sh. Ramavtar, Sh. Shyam Sunder, Sh. Om Prakash and Sh. Lokesh Sharma.*
- VI. *Residential Property at Khasra No. 277, Kherliganj, Atru, Baran (Rajasthan), belonging to Sh. Giriraj Kumar.*
- VII. *Shop No. 12, situated near Bharat Vikas Parishad Hospital, Kota (Rajasthan) belonging to Sh. Varun Gupta.*
- VIII. *Shop No. 11, situated near Bharat Vikas Parishad Hospital, Kota (Rajasthan) belonging to Smt. Radha Agarwal.*

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- IX. *Residential House at 45, Basant Vihar Spl. Kota (Rajasthan) belonging to Sh. Bitthal Agarwal.*
- X. *Residential Land (converted from agricultural land) admeasuring 963.75 sq. metres (0.41 hectare) located at Khasra No. 195 at Village Bedykya Gram Panchayat Mermachah, Tehsil Atru, District Baran (Rajasthan), belonging to Sh. Chandra Mohan Singhal.*
- XI. *Residential Land (converted from agricultural land) admeasuring 949.75 sq. meters (0.41 hectare) located at Khasra No. 195 at Village Bedykya Gram Panchayat Mermachah, Tehsil Atru, District Baran (Rajasthan), belonging to Sh Giriraj Kumar.*
- XII. *Residential Land (converted from agricultural land) admeasuring 975 sq. meters (0.41 hectare) located at Khasra No. 194 at Village Bedykya Gram Panchayat Mermachah, Tehsil Atru, District Baran (Rajasthan), belonging to Sh. Bitthal Agarwal.*
- XIII. *House at Kumharon ka Mohalla in Rajpura Ward Baran (Rajasthan), belonging to Sh. Shrinath.*
4. In pursuance of the Sanction Letter-I dated 21.08.2010, the Authorized Signatory *Shri Chandra Mohan Singhal* on behalf of Corporate Debtor also executed an Agreement of loan cum hypothecation dated 31.08.2010 for a sum of Rs. 5,30,00,000/- (Rupees Five Crore Thirty Lakhs Only) plus interest at 10.50% per annum for the first year and thereafter applicable rate

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as per the CRA rating for the credit facilities. The said Credit facilities are as under: -

<i>S. No.</i>	<i>Credit Limit</i>	<i>Amount (In Lakhs)</i>
<i>1.</i>	<i>Cash Credit (Hyp.)</i>	<i>300.00</i>
<i>2.</i>	<i>Term Loan- I</i>	<i>230.00</i>
	<i>Total</i>	<i>530.00</i>

5. It is relevant to state that the said term loan- I was to be repaid in equal quarterly installments of Rs. 10,00,000/- (Rupees Ten Lakhs Only) with interest. The first installment was to commence on 30.09.2010 and the last installment falling due and payable on July 2012. The current assets of the Corporate Debtor i.e., stock of soya bean, deoiled cake, crude oil, other consumables, book debts and other current assets of the Company, present & future are hypothecated with the Financial Creditor.
6. Further, in pursuance of the Agreement of Loan-cum-Hypothecation dated 31.08.2010, a guarantee agreement dated 31.08.2010 ("Guarantee Agreement") was executed between the Financial Creditor and *Sh. Chandra Mohan Singhal, Sh. Varun Gupta, Sh. Bitthal Prasad Agarwal, Smt. Gayatri Devi. Sh. Giriraj Kumar Singhal, Smt. Radha Agarwal, Sh. Om Prakash Sharma, Sh. Lokesh Kumar Sharma, Sh. Shyam Sunder Sharma and Sh. Ramavtar Sharma Gupta*, who stood as personal guarantors ("Guarantors").
7. The Guarantors extended their personal guarantee vide said Guarantee Agreement, to secure the credit facilities availed by the Corporate Debtor of Rs. 5,30,00,000/- (Rupees Five Crore Thirty Lakhs Only) and undertook to

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be jointly and severally liable for the outstanding dues in respect of the Loan if the Corporate Debtor fails to discharge his liabilities. Subsequently, on 19.10.2010, the Corporate Debtor approached the Financial Creditor for availing of additional credit facilities i.e., ad hoc limit and term loan and a further term loan. Pursuant to the aforesaid request of the Corporate Debtor, the Financial Creditor vide the Letter of Arrangement dated 03.11.2010 ("Sanction Letter-II") had sanctioned the additional credit facility to the Corporate Debtor in the manner stated as under:-

<i>S. No.</i>	<i>Credit Limit</i>	<i>Amount</i>
1.	<i>Ad hoc limit</i>	<i>Rs. 1,25,00,000/-</i>
2.	<i>Term loan- II</i>	<i>Rs. 75,00,000/-</i>
	<i>Ad Hoc Facilities</i>	<i>2,00,00,000/-</i>

Thereby increasing the loan amount by Rs. 2,00,00,000/-, totalling to Rs. 7,30,00,000/- (Rupees Seven Crore Thirty Lakh Only).

8. It is also submitted that the *vide* the board resolution dated 08.11.2010, the Corporate Debtor through its Authorized Signatory executed the additional loan documents for securing the credit facilities to a sum of Rs. 7,30,00,000/- (Rupees Seven Crore Thirty Lakhs Only) in favour of the Financial Creditor and further created/extend equitable mortgage over the properties belonging to the Corporate Debtor. The Corporate Debtor through its authorized signatory had signed and executed a Supplemental Agreement of loan cum hypothecation dated 12.11.2010.

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9. As per the said Supplemental Agreement dated 12.11.2010, the Corporate Debtor also agreed that the Term Loan-I, i.e., Rs. 2,30,00,000/- (Rupees Two Crore Thirty Lakhs Only) would be repaid in 69 quarterly installments of Rs. 10,00,000/- (Rupees Ten Lakhs Only) each with interest 10.50% p. a. The term loan-II i.e., Rs. 75,00,000/- (Rupees Seventy Lakhs Only) is to be repaid in 36 monthly installments of Rs. 2,95,053/- (Rupees Two Lakhs Ninety-Five Thousand Fifty-Three Only) each with interest @ 10.75%. The first installment was to commence on 01.02.2011 and last installment to fall due on 01.01.2014.
10. In pursuance of the said Supplemental Agreement dated 12.11.2010, the Guarantors executed a Guarantee Agreement extending their personal guarantees to secure the credit facilities to the tune of Rs. 7,30,00,000/- (Rupees Seven Crore Thirty Lakhs Only) availed by the Corporate Debtor and undertook to be jointly and severally liable for the dues repayable by the Borrower. Further, the Guarantors also executed a link letter dated 12.11.2010 in favour of the Financial Creditor and confirmed the execution of various security documents.
11. Thereafter, the Corporate Debtor again approached the Financial Creditor for renewal of existing credit facilities and grant of an additional ad hoc limit. Upon request of the Corporate Debtor, the Financial Creditor *vide* Letter of Arrangement dated 29.11.2011 ("Sanction Letter-III") renewed the

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existing credit facilities and further sanctioned additional credit facilities to the Corporate Debtor. The same are mentioned hereunder:

<i>Credit Limits</i>	<i>Amount (in Lakhs)</i>
<i>Cash Credit (Hyp)</i>	<i>300.00</i>
<i>Ad hoc cash credit</i>	<i>100</i>
<i>Sub limited against book debts within overall (a) above</i>	<i>(150)</i>
<i>Term Loan</i>	<i>185.42</i>
<i>STCL</i>	<i>53.63</i>
<i>Total</i>	<i>639.05</i>

12. Further, the Corporate Debtor through the Authorized Signatory executed a Supplemental Agreement of loan cum hypothecation dated 03.12.2011 for a sum of Rs. 639.05 Lakhs. In pursuance of the Supplemental Agreement of loan cum hypothecation dated 03.12.2011, a guarantee agreement dated 03.12.2011 was executed between Financial Creditor and the guarantors, *Sh. Braj Kishore Gupta, Sh. Chandra Mohan Singhal, Sh. Varun Gupta, Sh. Bitthal Prasad Agarwal, Smt. Gayatri Devi, Sh. Giriraj Kumar Singhal, Smt. Radha Agarwal, Sh. Om Prakash Sharma, Sh. Lokesh Kumar Sharma, Sh. Shyam Sunder Sharma, Sh. Ramavtar Sharma and Sh. Shreenath Gupta.*
13. Further, on 03.12.2011, *Sh. Braj Kishore Gupta, Sh. Chandra Monan Singhal, Sh. Varun Gupta, Sh. Bitthal Prasad Agarwal, Smt. Gayatri Devi, Sh. Giriraj Kumar Singhal, Smt. Radha Agarwal, Sh. Om Prakash Sharma, Sh. Lokesh Kumar Sharma, Sh. Shyam Sunder Sharma, Sh. Ramavtar Sharma and Sh. Shreenath Gupta* vide undertaking dated 03.12.2011 confirmed availing of various credit facilities as mentioned in the Letter of

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Arrangement dated 29.11.2011. The mortgagors signed and executed the letters confirming the extension of mortgage by deposit of title deeds covering enhanced limit and additional facilities of their respective mortgaged properties all dated 03.12.2011.

14. It is submitted that the Financial Creditor has first charge over the Mortgaged Properties more particularly factory, land, building, plant and machinery, the same was also registered with the Registrar of Companies vide Form No. 8. It is pertinent to mention here that the aforesaid charge is also reflected in the MCA data of the Corporate Debtor, which depicts that the Corporate Debtor has acknowledged its liability towards the Financial Creditor.
15. Despite the Financial Creditor having sanctioned and disbursed the aforesaid credit facilities as per the requirements of the Corporate Debtor, the Corporate Debtor failed to maintain financial discipline in relation to the Loan account by failing to pay the regular EMIs as per the terms and conditions of the Letter of Arrangements as the respective loan agreements.
16. On 29.11.2013, the Financial Creditor issued a Recall Notice to the Corporate Debtor demanding the outstanding debt of Rs. 4,51,97,587/- (Rupees Four Crore Fifty-One Lakhs Ninety-Seven Thousand Five Hundred and Eighty-Seven Only).
17. Owing to the aforesaid default on part of the Corporate Debtor, the Financial Creditor issued a Demand Notice dated 02.12.2013 under Section 13(2) of

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the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") to the Corporate Debtor. However, the Corporate Debtor failed to repay its outstanding dues even after the lapse of the statutory period of 60 days.

18. Therefore, the Financial Creditor was constrained to issue the possession notice dated 08.02.2014 under Section 13(4) of the SARFAESI Act. Thereafter, the symbolic possession of the Mortgaged Properties was taken by the Financial Creditor on 25.02.2014, and the same was also published on 28.02.2014 in two newspapers i.e., *Punjab Kesari* and *Dainik Bhaskar*.
19. It is relevant to submit that an One Time Settlement ('OTS') for a settlement was conveyed to the Corporate Debtor by the Financial Creditor *vide* its letter dated 27.08.2019 pursuant to an OTS scheme, being (*SBI OTS 2019*) offering a sum of Rs. 3,27,92,027 (Rupees Three Crore Twenty-Seven Lakh Ninety-Two Thousand Twenty-Seven Only) as against the original outstanding of Rs. 4,37,22,703/- (Rupees Four Crore Thirty-Seven Lakh Twenty-Two Thousand Seven Hundred Three Only).
20. The Corporate Debtor showed its willingness to accept the said OTS *vide* its letter dated 23.09.2019. Thereafter, the request of the Corporate Debtor concerning the OTS was accepted by the Bank *vide* its letter dated 30.09.20219 wherein the details of the terms of OTS were conveyed. However, the Corporate Debtor did not comply with the same and hence the OTS stood frustrated as evident from the letter dated 01.11.2019 issued by

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the Bank. It is pertinent to mention that the letter dated 23.09.2019 issued by the Borrower accepting the One Time Settlement offer also amounts to acknowledgement of its debt.

21. For recovery of its dues of Rs. 5,25,43,204.86/- (Rupees Five Crore Twenty-Five Lakh Forty-Three Thousand Two Hundred Four and Eighty-Six Paisa Only) plus interest, the Financial Creditor filed an original application under Section 19(1) of the Recovery of Debts and Bankruptcy Act, 1993 ("RDB Act") bearing original Application no. 283/2014 ("OA") before the Ld. Debts Recovery Tribunal, Jaipur, against the Corporate Debtor. Subsequently, the Ld. Debts Recovery Tribunal *vide* its order dated 27.06.2019 issued a Recovery Certificate against the Corporate Debtor for a sum of Rs. 5,25,43,204.86/- (Rupees Five Crore Twenty-Five Lakh Forty-Three Thousand Two Hundred Four and Eighty-Six Paisa Only) bearing RC No. 524/ 2019.
22. It is evident that the Corporate Debtor has not adhered to the terms, mutually agreed between it and the Financial Creditor and has defaulted in repayment of the aforementioned credit facilities and is under a legal obligation to repay. The said debt constitutes all the elements of a financial debt viz. commercial effect of borrowing and time value of money. It is apparent that the Corporate Debtor is evading its liability towards the Financial Creditor and therefore, insolvency proceedings are required to be initiated against the Corporate Debtor.

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23. Consequent to the notice issued by this Adjudicating Authority, the Corporate Debtor filed its preliminary objections *vide* Dairy No. 2852/2024 dated 25.11.2024 stating as follows:

23.1 The Corporate Debtor contended that the Applicant in the Application has itself alleged that the Respondent has acknowledge debt vide its letter dated 23.09.2019 and there is no other acknowledgement or document that has been relied upon by the Applicant. since, the present Petition has not been filed within 3 years from the aforementioned letter dated 23.09.2019 the same is barred by the limitation. In support of its contention the Respondent has relied upon the judgment of Hon'ble Apex Court case *B.K. Educational Services Pvt. Ltd. v/s Parag Gupta & Associates*, (AIR 2018 (SC) 5601) which held that the Limitation Act is applicable to the applications filed under Section 7 and 9 of the Code.

23.2 Further, it is alleged that the Applicant in its Petition has suppressed the fact that Union of India through office of Serious Fraud Investigation has filed a Petition bearing *CP No. 26/272-271/JPR/2021* against the Respondent which is pending for adjudication before this Adjudicating Authority. Moreover, a committee had been constituted by an Order dated 04.05.2022 of the Hon'ble Supreme Court in *W.P. (C) NO. 995/2019* titled *National Spot Exchange Ltd. v/s Vimladevi Agrotech*

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Limited, and the proceedings are also pending before the Committee.

Therefore, if IBC proceedings are initiated, it would prejudice the said proceedings.

23.3 The Respondent further submits that there are allegations on NSEL to cause wrongful loss amounting to Rs. 5,600 Crores to 13,000 registered traders of NSEL and various investigations and count proceedings are going against the same transactions. However, the Respondent did not have any involvement in the wrong losses and has been falsely implicated in the proceedings.

24. The Applicant filed its Written Submission vide Diary No. 313/2025 dated 12.02.2025 wherein the Applicant reiterated the contentions raised in the Company petition and placed reliance upon the following case laws:

- I. *Kotak Mahindra Bank Limited vs. Balakrishnan and Anr.* [(2022) 9 SCC 186].
- II. *Cognizance for Extension of Limitation, in RE Suo Motu Writ Petition* [(2022) 3 SCC 117].
- III. *G4S Secure Solutions (India) Pvt. Ltd. vs. Matrix Cellular* [ARB.P 427/2024 dated 02.04.2024 High Court of Delhi].
- IV. *Indospirit Distribution Ltd. vs. Kristal Spirits India Pvt. Ltd.* [NCLAT, Delhi- Company Appeal (AT) (Ins) No. 503 of 2024].

25. The Corporate Debtor has also filed its written submissions *vide* Diary No. 329/2025 dated 17.02.2025 wherein it reiterated its earlier submissions.

26. This Adjudicating Authority has perused all the relevant papers and found them in order. The Registered Office of the Corporate Debtor is situated in

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the state of Rajasthan; therefore, this Adjudicating Authority has the jurisdiction to entertain this Application.

27. Before, we delve into the merits of the case, it is incumbent to adjudicate upon whether the instant Application is within the purview of the Laws of Limitation. A perusal of the Application and the documents enclosed therewith reveals that the Corporate Debtor had availed various credit facilities from the Financial Creditor. The said credit facilities were availed by the Corporate Debtor against the security of equitable mortgage of immovable properties.
28. Further, it is seen from the records that the loan account of the Corporate Debtor was declared as NPA on 25.11.2013. Thereafter, the Applicant issued a Recall Notice on 29.11.2013 to the Corporate Debtor demanding the outstanding debt of Rs. 4,51,97,587/- (Rupees Four Crore Fifty-One Lakhs Ninety-Seven Thousand Five Hundred and Eighty-Seven Only). Moreover, a Demand Notice dated 02.12.2013 under Section 13(2) of the SARFAESI Act to the Corporate Debtor for an amount of Rs. 4,52,89,538/- (Rupees Four Crore Fifty-Two Lakh Eighty-Nine Thousand Five Hundred and Thirty-Eight Only).
29. Subsequently, on an application filed by the Applicant before the Ld. DRT under the SARFAESI Act a Recovery Certificate dated on 27.06.2019 for an amount of Rs. 5,25,43,204.86/- (Rupees Five Crore Twenty-Five Lakh Forty-Three Thousand Two Hundred Four and Eighty-Six Paisa Only) in

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favour of the Financial Creditor against the Corporate Debtor. In the instant case, the date of Recovery Certificate i.e., 27.06.2019 has been taken as date of default in the Part-IV of the Petition.

30. At this juncture it is relevant to refer the Judgement of the Hon'ble Supreme Court in the matter of *Dena Bank v. C. Shivakumar Reddy*, (2021) 10 SCC 330: 2021 SCC OnLine SC 543 wherein it was held that:

"141. Moreover, a judgment and/or decree for money in favour of the financial creditor, passed by the DRT, or any other tribunal or court, or the issuance of a certificate of recovery in favour of the financial creditor, would give rise to a fresh cause of action for the financial creditor, to initiate proceedings under Section 7 IBC for initiation of the corporate insolvency resolution process, within three years from the date of the judgment and/or decree or within three years from the date of issuance of the certificate of recovery, if the dues of the corporate debtor to the financial debtor, under the judgment and/or decree and/or in terms of the certificate of recovery, or any part thereof remained unpaid."

31. Thus, as per the Judgement of the Hon'ble Apex Court issuance of a Recovery Certificate will give rise to a fresh cause of action. In the present case, the Ld. DRT had issued a Recovery Certificate dated 27.06.2019 against the Corporate Debtor, therefore we are of the opinion that period of limitation will be computed from the date of the issuance of the Recovery Certificate i.e., 27.06.2019.

32. It is pertinent to refer to the Hon'ble Supreme Court's decision in *Suo Moto Writ Petition No. 03 of 2020* wherein it was directed that the period from 15.03.2020 to 28.02.2022 shall be excluded for the purposes of limitation.

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Taking into account the exclusion period provided by the Hon'ble Apex Court and the date of filing of this Petition i.e., 03.06.2024, we find that the present Petition has been filed within the prescribed limitation period.

33. Further, we refer to Section 7 of the Code which clarifies that the Adjudicating Authority upon being satisfied that the default of financial debt has occurred, may order for initiation of CIRP of the Corporate Debtor. The key ingredients of an Application filed under Section 7 of the Code are: (i) there has to be a financial debt and; (ii) there must be a default in repayment of the financial debt. Hence, the Applicant must establish that there is a financial debt and that a default has been committed in respect of that financial debt by the Corporate Debtor. While dealing with an application under section 7, the Adjudicating Authority is not required to consider the question of the dispute between the parties as long as the 'debt' and 'default' is proved.
34. In the instant case, there is no dispute that the Financial Creditor, sanctioned the various credit facilities to the Corporate Debtor. Further, after issuance of the Recovery Certificate dated 27.06.2019 by the Ld. DRT for a sum of Rs. 5,25,43,204.86/- (Rupees Five Crore Twenty-Five Lakh Forty-Three Thousand Two Hundred Four and Eighty-Six Paisa Only), the existence of the first ingredient i.e. financial debt is nowhere in dispute.
35. In so far as the existence of default is concerned, the Corporate Debtor failed to maintain financial discipline in relation to the Loan account by failing to

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pay the regular EMIs as per the terms and conditions of the Letter of Arrangements as the respective loan agreements. The same is further corroborated by the Recovery Certificate of the Ld. DRT.

36. At, this juncture, it is important to refer to landmark judgment of the Hon'ble Supreme Court in *Innoventive Industries Limited v. ICICI Bank and Another* 2017 SCC OnLine SC 1025 wherein it was held that once Adjudicating Authority is satisfied that the default has occurred, there is hardly a discretion left with Adjudicating Authority to refuse admission of the Application under Section 7 Code, 2016.
37. It is trite law that under the IBC once a debt which becomes due or payable, in law and in fact, and if there is incidence of non-payment of the said debt in full or even part thereof, CIRP may be triggered by the financial creditor as long as the amount in default is above the threshold limit. Once the Adjudicating Authority is subjectively satisfied that there is a debt and a default has been committed by the Corporate Debtor and the Section 7 application is complete in all respects, the Adjudicating Authority in the exercise of summary jurisdiction has to admit the Section 7 Application.
38. After examining the aforementioned facts and judgments, the present application made by the Financial Creditor is complete in all respects as required by law. Upon reviewing the submissions and documents submitted, this Adjudicating Authority is convinced that a debt exists and there has been a default.

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39. Under such circumstances, the Corporate Insolvency Resolution Process can be initiated against the Corporate Debtor, as it has committed a default. Therefore, the Adjudicating Authority has come to the view that the Corporate Insolvency Resolution Process of the Corporate Debtor should be initiated. We are inclined to admit this Application and accordingly, same is being admitted and the Corporate Insolvency Resolution Process against the Corporate Debtor is hereby initiated. Since the Applicant has proposed the name of the IRP, therefore, we appoint *Mr. Jai Prakash Rawat* having Registration Number *IBBI/IPA-001/IP-P-01969/2020-2021/13039*, duly registered with ICAI Insolvency Professional Agency, to be appointed as the Interim Resolution Professional. The Applicant has filed Consent in Form 2 under Insolvency and Bankruptcy Board of India (Application to Adjudicating Authority) Rules, 2016, stating that no disciplinary proceedings are pending against the above-named IRP.
40. Consequences of initiation of CIRP shall be inter-alia as follows:
- The Resolution Professional proposed by the Applicant is *Mr. Jai Prakash Rawat*, who is an IP registered with ICAI Insolvency Professional Agency having Registration No. *IBBI/IPA-001/IP-P-01969/2020-2021/13039*, he is hereby appointed as the Insolvency Resolution Professional (IRP) to take over the affairs of the Corporate Debtor and duties as required to be performed by him under the provisions of IBC, 2016, including the issue of the publication in

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widely circulated Newspaper as contemplated under the provisions of IBC, 2016 and calling for the claims from the creditors of Corporate Debtor and collation of the same shall be done.

- ii) Further, as a sequel of admission, moratorium as envisaged under Section 14 of IBC, 2016 is invoked concerning the Corporate Debtor, which will be in vogue during the Corporate Insolvency Resolution Process of the Corporate Debtor. The IRP shall carry out CIRP strictly as per the timelines specified and as envisaged under the provisions of IBC, 2016 in relation to the Corporate Debtor.
- iii) The said IRP shall act strictly in compliance with the provisions of IBC, 2016 and defray his expenses to be incurred and fees on the account. The Applicant is directed to act in accordance with Regulation 33(1) of the Insolvency and Bankruptcy (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The Applicant shall deposit the fees of Rs. 2,00,000/- (Rupees Two Lakh Only) initially to the account of IRP within three days from the date of this order. The IRP shall duly file a status report from time to time appraising this Adjudicating Authority about the progress of CIRP unfolded in relation to the Corporate Debtor. In terms of Section 17 & 19 of IBC, 2016, all personnel of the Corporate Debtor including promoters and Board of Directors, whose powers shall stand suspended, shall extend all

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cooperation to the IRP during his tenure as such and the management of the affairs of the Corporate Debtor shall vest with the IRP.

iv) In terms of Section 7 of IBC, 2016, this order shall be communicated to the Applicant, Corporate Debtor, and the Interim Resolution Professional (IRP) appointed by this Adjudicating Authority to carry out the CIRP at the earliest, not exceeding one week from today.

41. Copy of this order shall also be communicated to IBBI for its record, and to any other body/entity to whom the Corporate Debtor is under legal/contractual obligation to inform/update.

42. In the circumstances, *CP No. (IB) 41/7/JPR/2024* is admitted.

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**DEEP CHANDRA JOSHI,
JUDICIAL MEMBER**

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**VELAMUR G. VENKATA CHALAPATHY,
TECHNICAL MEMBER**