

IN THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH

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

**SHRI RAJEEV MEHROTRA,
HON'BLE TECHNICAL MEMBER**

CP No. (IB)- 76/7/JPR/2022

IN THE MATTER OF:

UNION BANK OF INDIA

...FINANCIAL CREDITOR

VERSUS

VADERA TRADELINK PVT. LTD.

...CORPORATE DEBTOR

MEMO OF PARTIES

UNION BANK OF INDIA

Branch Office: Laxmipura, Ward
No. 3, Rai Colony Road, PO
Barmer, Rajasthan- 344001

...Financial Creditor

VERSUS

M/S VADERA TRADELINK PVT. LTD.

Registered office at: H-238/239,
IInd Phase (Extn.), RIICO
Industrial Area, Barmer- 344001,
Rajasthan.

...Corporate Debtor

FOR THE FINANCIAL CREDITOR(S) : Anubha Singh, Adv.

**FOR THE CORPORATE DEBTOR(S) : Rajendra K. Salecha, Adv.
Tanisha Khubchandani, Adv.**

Order Pronounced On:19.01.2024

 **Sd/-**

ORDER

 **Sd/-**

Per: Shri Deep Chandra Joshi, Judicial Member

1. This application is filed by *Union Bank of India* ('Applicant'/ 'Financial Creditor') through *Mr. Jaswant Dan Charan*, Power of Attorney holder and Branch Manager, against the Corporate Debtor namely *M/s Vadera Tradelink Pvt. Ltd.* ('Respondent'/'Corporate Debtor') under Section 7 of Insolvency and Bankruptcy Code, 2016 (the 'IBC'/'Code') read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 seeking initiation of the Corporate Insolvency Resolution Process ('CIRP'), pursuant to default in repayment of loan amount by the Corporate Debtor to the Applicant.
2. The Applicant is a Banking Company, constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 having its head office at Union Bank Bhavan, 239, Backbay Reclamation, Vidhan Bhavan Marg, Nariman Point, Mumbai- 400021, Maharashtra, India and a Branch office at Union Bank of India(erstwhile Andhra Bank), Laxmipura, Ward No. 3, Rai Colony road, PO Barmer, District- Barmer, Rajasthan.
3. The Corporate Debtor is a Private Limited Company, incorporated under the provisions of the Companies Act, 1956 on 28.02.2008, duly registered with the Registrar of Companies, Jaipur, having CIN: U52190RJ2008PTC026035. The registered office of the company is situated at H-238/239, IInd Phase (Extn.), RIICO Industrial Area, Barmer- 344001, Rajasthan. The authorized share capital of the company is Rs. 50,00,000/- (Rupees Fifty Lakhs Only) and paid-up share capital of Rs.



41,90,000/- (Rupees Forty-One Crores Ninety Thousand Only). The same has been verified from the online database maintained by the Ministry of Corporate Affairs.

4. The details of the transactions leading to the filing of this application averred by the Applicant are as follows:

4.1. Originally, the Loan was sanctioned vide Sanction Letter dated 31.07.2019 by *Andhra Bank*, later amalgamated with Union Bank of India vide Gazette Notification dated 04.03.2020. The Credit Limit of Rs. 12 Crores on interest @ 12.50% p.a. was granted to the Corporate Debtor. The Applicant mentions that the Corporate Debtor defaulted in repayment of the Cash Credit facility and the date of default as mentioned is 30.11.2019. The Outstanding Amount is Rs. 11,99,99,999.19/- (Rupees Eleven Crores Ninety-Nine Lakhs Ninety-Nine Thousand Nine Hundred Ninety-Nine and Nineteen Paise Only); the Reversed amount is Rs. 1,72,81,957.35/- (Rupees One Crore Seventy-Two Lakhs Eighty-One Thousand Nine Hundred Fifty-Seven and Thirty-Five Paise Only); the accrued amount of Rs. 2,67,98,993/- (Rupees Two Crores Sixty-Seven Lakhs Ninety-Eight Thousand Nine Hundred and Ninety-Three Only) and the Total recoverable due as on 30.09.2022 is Rs. 16,40,80,949.54/- (Rupees Sixteen Crores Forty Lakhs Eighty Thousand Nine Hundred Forty-Nine and Fifty-Four Paise Only).

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4.2. The Applicant has also annexed a list of security held against which charge was created at RoC on 24.02.2015 and modified on 16.05.2016 in favour of the Financial Creditor, as the loan sanctioned on 31.07.2019 was a renewal loan facility to the Corporate Debtor for the earlier credit facility. The Applicant issued a notice dated 11.05.2021 under Section 13(2) of SARFAESI Act, 2002 to the Corporate Debtor requesting repayment of dues/instalment/interest of Rs. 14,97,22,554.68/- (Rupees Fourteen Crores Ninety-Seven Lakhs Twenty-Two Thousand Five Hundred Fifty-Four and Sixty-Eight Paise) as on 30.04.2021.

4.3. The aforementioned details as reflected in PART IV of the Application is as below:

<u>PARTICULARS OF FINANCIAL DEBT</u>		
1.	Total amount of debt granted Date of disbursement	The Applicant Bank sanctioned following credit limit SOD Working Capital of Rs. 12 Crores on interest @ One Year MCLR (8.70) + 0.25(RP) + 3.55 = 12.50% per annum to the Respondent vide Sanction Letter No. 2711/52/CLCC/2514/V-105/S-09 dated 31.07.2019.
2.	Amount claimed to be in default and the date on which the default occurred	<u>Amount claimed to be in default-</u> Rs. 16,40,80,949.54/- (Rupees Sixteen Crores Forty Lakhs Eighty Thousand Nine Hundred Forty-Nine and Fifty-Four Paise

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		Only) as on 30.09.2022 plus future interest as per Sanction Letter dated 31.07.2022.
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5. Consequent to the notice issued by this Adjudicating Authority, the Respondent filed its reply *vide* Dairy No. 1360/2023 dated 29.05.2023 stating as follows:

5.1. The Corporate Debtor submitted that it is registered by Industries Department, Government of Rajasthan under SME Segment and on account of the same it is entitled to be granted credit facilities on the basis of directional framework of the Reserve Bank of India having mandatory force in view of Section 21 and 35A of the Banking Regulation Act, 1949 as well as protection and privilege granted under the provisions of MSMED Act, 2002.

5.2. The Corporate Debtor has been engaged for setting up of 7 projects for construction of 8336 flats under 'Mukhyamantri Jan Avas Yojana' for EWS/LIG group under the arrangement for land availability by Jodhpur Development Authority, Jodhpur ('JoDA'). The JoDA as per communication dated 02.02.2021 extended the time till 12.03.2024 for implementation of the projects. It has been contended that substantial resources have been committed and construction work is in process. Further, the copies of various documents reveal the continuity of business operations of the Corporate Debtor. Hence, in view of the ratio of the Hon'ble Supreme Court in *Vidarbha Industries*

Power Limited vs. Axis Bank Limit, (2022) SCC Online SC 841, the Application is liable to be dismissed.

5.3. The Financial Creditor had filed an *Original Application 159/2021* before the Debt Recovery Tribunal, Jaipur Bench titled as *Union Bank of India vs. M/s Vadera Tradelink Pvt. Ltd. & Ors* which is pending adjudication. In view of the 'adjudication of debt' being in seize of the DRT, the present application cannot be considered complete in the requisite aspect, hence, is liable to be dismissed at threshold. In reply to the Original Application, the Corporate Debtor has preferred cross claim for Rs. 2044.89 Lakhs along with interest @15% p.a. Moreover, the Corporate Debtor submits that the DRT has exclusive jurisdiction in accordance with Section 18 of RDB Act, 1993.

5.4. The Corporate Debtor has raised objections stating that the Application filed by the Financial Creditor is not complying with the provisions laid down under the provisions of the Companies Act and subsequent rules. It has been contended that pursuant to notice dated 11.05.2021, the bank issued the notice to take possession on 24.12.2021. The notice issued under Section 13(2) of SARFAESI was not served on the Corporate Debtor. Later the bank issued demand notice on 04.12.2019 and took symbolic possession of the assets on 11.03.2020 which was subjected to proceedings under Section 17 of SARFAESI Act, 2002 before the DRT vide *SA 110/2020* titled *Vadera*



Tradelink Pvt. Ltd. vs. Union Bank of India. The said application was disposed off vide Order dated 28.01.2021. Another Application numbered as *MA 1/2022* was filed by the Corporate Debtor, wherein orders have been passed by DRT for maintaining status quo.

6. The Applicant preferred rejoinder vide Diary No. 1841/2023 dated 31.07.2023 wherein the following has been contended:

6.1. The reliance by the Corporate Debtor on the case of the Hon'ble Supreme Court in *Vidarbha(supra)* is not well founded as it is clear that the intent of the legislature was that Adjudicating Authority does not have the power to check the financial health of the Corporate Debtor and once the default is established CIRP has to be initiated. Hence, *Vidarbha(supra)* is not applicable in the present case.

6.2. Moreover, the Adjudicating Authority has to adjudicate upon three parameters under Section 7 of the Code, *firstly*, existence of debt above the threshold limit of Rs. 1,00,00,000/-; *secondly*, presence of default by the Corporate Debtor; and *thirdly*, there is no pending disciplinary proceedings against the resolution professional proposed by the Financial Creditor. Moreover, it is a settled position of law that any legal proceedings pending before any other forum/DRT would in no way come in between the proceedings initiated under the Code as by virtue of Section 238 of the Code, IBC will prevail over the Recovery of Debt and Bankruptcy Act, 1993 and SARFAESI, 2002.



Also, any counter claim submitted by the Corporate Debtor against the Financial Creditor at DRT would be adjudicated by DRT and such claim would not in any way cause hindrance in the admission of the Application filed under Section 7 of the Code.

7. The Applicant filed an Affidavit for placing additional documents on record vide Diary No. 2234/2023 dated 12.09.2023 . The record of default issued by information utility National E-Governance Service Limited ('NeSL'), along with the written request cum acknowledgement of debt and default addressed by the Corporate Debtor to the Applicant Bank via numerous letters and subsequent response by the Applicant Bank, was placed on record. The details of the letter are as below:
 - 7.1. Letter dated 29.05.2023 from the Corporate Debtor to the Financial Creditor for renewal/upgrade of the account.
 - 7.2. Letter dated 06.07.2023 from the Corporate Debtor to the Financial Creditor.
 - 7.3. Letter dated 01.09.2023 from the Corporate Debtor to the Financial Creditor pertaining to the repayment of SOD A/c.
 - 7.4. Letter dated 02.06.2023 by the Financial Creditor to the Corporate Debtor requesting the Corporate Debtor to clear the dues.
8. The Corporate Debtor has filed written submissions vide Diary No. 2972/2023 dated 14.12.2023 stating that the Corporate Debtor falls under MSME segment and was subjected to sanction overdraft facility for

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construction of 8336 flats under 'Mukhyamantri Awas Yojana' for construction of resident flats for backward/weaker sections of the society in collaboration with Jodhpur Development Authority. It has been contended that the on account of issues of the Corporate Debtor with JoDA relating to timely release of funds for construction work and pending suit before the DRT, Jaipur, the present proceedings are required to yield way to pending adjudication proceedings before DRT, Jaipur. The Corporate Debtor has also relied on the ratio of *Birla Tyres Limited vs. Reserve Bank of India, 2022 SCC Online Cal, 833* in order dated 20.04.2022 which was referred to in *Swastik Copper Pvt. Ltd. & Ors. vs. Reserve Bank of India, SBCWP 5949/2022* in order dated 18.10.2022.

9. The Financial Creditor has also preferred Written Submissions vide Diary No. 116/2024 dated 12.04.2024 reiterating the submissions made earlier. Additionally, the Financial Creditor has relied upon the judgment of the Hon'ble NCLAT in *Pawan Kumar vs. Utsav Securities Pvt. Ltd., Company Appeal (AT)(Ins) No. 251 of 2020* and the Hon'ble Supreme Court in *Orator Marketing Pvt. Ltd. vs. Samtex Desinz Pvt. Ltd., Civil Appeal No. 2231 of 2021* among other judgments.
10. We have heard the Ld. Counsels for the parties and perused the averments made in the Application, Reply, Rejoinder, Written Submission along with the documents enclosed therein.

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11. Before dwelling into the issue at hand, we refer to Section 7 of the Code which clarifies that the Adjudicating Authority upon being satisfied that default has occurred of the financial debt, 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. Since, the Registered Office of Corporate Debtor is situated in Barmer, therefore, this Adjudicating Authority has jurisdiction to entertain and try this application.
12. It has been well settled by the Hon'ble Supreme Court in *M/s Innoventive Industries Ltd. vs. ICICI Bank, C.A. Nos. 8337-8338 of 2017* dated 31.08.2017 that upon the Adjudicating Authority being satisfied that a debt was due and default had occurred, it was bound to commit the Corporate Debtor into CIRP. The relevant excerpts from the judgment are as below:

28. When it comes to a financial creditor triggering the process, Section 7 becomes relevant. It is at the stage of Section 7(5), where the adjudicating authority is to be satisfied that a default has occurred, that the corporate debtor is entitled to point out that a default has not occurred in the sense that the "debt", which may also include a disputed claim, is not due. The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete, in which case

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it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority.

30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is “due” i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise.”

(emphasis added)

13. Further, the Apex Court in the case of *E S Krishnamurthy & Ors. vs. M/s Bharath Hi Tech Builders Pvt. Ltd., Civil Appeal No. 3325 of 2020* dated 14.12.2021 has relied on the judgment of *Innoventive (supra)* and held as below:

“25. In Innoventive Industries (supra), a two-judge Bench of this Court has explained the ambit of Section 7 of the IBC, and held that the Adjudicating Authority only has to determine whether a “default” has occurred, i.e., whether the “debt” (which may still be disputed) was due and remained unpaid. If the Adjudicating Authority is of the opinion that a “default” has occurred, it has to admit the application unless it is incomplete. Speaking through

27. The Adjudicating Authority has clearly acted outside the terms of its jurisdiction under Section 7(5) of the IBC. The Adjudicating Authority is empowered only to verify whether a default has occurred or if a default has not occurred. Based upon its decision, the Adjudicating Authority must then either admit or reject an application respectively. These are the only two courses of action which are open to the Adjudicating Authority in accordance with Section 7(5). The Adjudicating Authority cannot compel a party to the proceedings before it to settle a dispute.”

(emphasis added)

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14. Thus, upon conclusion of the fact that the debt has become due and default has been committed in payment of the same to the Creditor, the Adjudicating Authority has no discretion to refuse the admission of the Application for CIRP of the Corporate Debtor. Similarly, when it is found that the debt has not become due and payable, the Application under Section 7 of the Code can be rejected.
15. In the case at hand, the Applicant has contended that the Corporate Debtor has defaulted in repayment of Cash Credit facility availed by *Andhra Bank*, which later amalgamated with the Financial Creditor, and the outstanding amount as on 30.09.2022 is Rs. 16,40,80,949.54/- (Rupees Sixteen Crores Forty Lakhs Eighty Thousand Nine Hundred Forty-Nine and Fifty-Four Paise Only). In reply to the same, the Corporate Debtor has submitted that the Corporate Debtor, being an MSME, was entitled to credit facilities on the basis of directional framework of RBI. Moreover, it has been contended that the Corporate Debtor was engaged in setting up projects for construction of flats under the arrangement of land availability by Jodhpur Development Authority and JoDA had extended time till 12.03.2024 for implementation of the projects, hence, in view of the continuity of the Corporate Debtor and judgment passed in *Vidarbha (supra)*, the Application does not stand ground.



16. It is pertinent to refer to the judgement of the Hon'ble Supreme Court in *Vidarbha Industries Power Limited vs. Axis Bank Limited, 2022(8)SCC352*

wherein the following has been held:

“86. Even though Section 7 (5)(a) of the IBC may confer discretionary power on the Adjudicating Authority, such discretionary power cannot be exercised arbitrarily or capriciously. If the facts and circumstances warrant exercise of discretion in a particular manner, discretion would have to be exercised in that manner.

87. Ordinarily, the Adjudicating Authority (NCLT) would have to exercise its discretion to admit an application under Section 7 of the IBC of the IBC and initiate CIRP on satisfaction of the existence of a financial debt and default on the part of the Corporate Debtor in payment of the debt, unless there are good reasons not to admit the petition.

88. The Adjudicating Authority (NCLT) has to consider the grounds made out by the Corporate Debtor against admission, on its own merits. For example when admission is opposed on the ground of existence of an award or a decree in favour of the Corporate Debtor, and the Awarded/decretal amount exceeds the amount of the debt, the Adjudicating Authority would have to exercise its discretion under Section 7(5)(a) of the IBC to keep the admission of the application of the Financial Creditor in abeyance, unless there is good reason not to do so. The Adjudicating Authority may, for example, admit the application of the Financial Creditor, notwithstanding any award or decree, if the Award/Decretal amount is incapable of realisation. The example is only illustrative.

89. In this case, the Adjudicating Authority (NCLT) has simply brushed aside the case of the Appellant that an amount of Rs.1,730 Crores was realizable by the Appellant in terms of the order passed by APTEL in favour of the Appellant, with the cursory observation that disputes if any between the Appellant and the recipient of electricity or between the Appellant and the Electricity Regulatory Commission were inconsequential.

90. We are clearly of the view that the Adjudicating Authority (NCLT) as also the Appellate Tribunal (NCLAT) fell in error in holding that once it was found that a debt existed and a Corporate

Debtor was in default in payment of the debt there would be no option to the Adjudicating Authority (NCLT) but to admit the petition under Section 7 of the IBC.”

17. Thereafter, a review petition was preferred against the abovesaid order and the Hon’ble Supreme Court in the matter of *Axis Bank Limited vs. Vidarbha Industries Power Limited* vide order dated 22.09.2022 held as below:

“ Learned Solicitor General of India submits that certain observations made by us in the judgment and order under review could be interpreted in a manner that might be contrary to the aims and objects of the IBC and render the law infructuous. The apprehension appears to be misconceived.

The elucidation in paragraph 90 and other paragraphs were made in the context of the case at hand. It is well settled that judgments and observations in judgments are not to be read as provisions of statute. Judicial utterances and/or pronouncements are in the setting of the facts of a particular case.

To interpret words and provisions of a statute, it may become necessary for the Judges to embark upon lengthy discussions. The words of Judges interpreting statutes are not to be interpreted as statutes.”

18. Finally, the Hon’ble Supreme Court while dealing with all of the judgments referred above, in the judgement of *M. Suresh Kumar Reddy vs. Canara Bank & Ors.*, Civil Appeal No. 7121 of 2022 observed the following:



*“ 13. Thus, it was clarified by the order in review that the decision in the case of **Vidarbha Industries**¹ was in the setting of facts of the case before this Court. Hence, the decision in the case of **Vidarbha Industries**¹ cannot be read and understood as taking a view which is contrary to the view taken in the cases of **Innoventive Industries**³ and **E.S.Krishnamurthy**². The view taken in case of **Innoventive Industries**³ still holds good.”*

19. Upon conjoint reading of the ratio laid down by the Hon’ble Supreme Court, it is evident that in Applications filed under Section 7 of the Code, the Adjudicating Authority is only required to determine the existence of a

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financial debt and default when the debt became due and payable. If the same is answered in positive, the CIRP of the Corporate Debtor is liable to be initiated under Section 7 of the Code regardless of the dispute, if any.

20. In the matter at hand, the loan granting Cash Credit Facility of Rs. 12 Crores was granted to the Corporate Debtor vide Loan Agreement dated 08.08.2019, which has been duly annexed with the Application. The Financial Creditor has annexed the statement of the account of the Corporate Debtor from 12.11.2019 to 04.10.2022 which reflects a total debit balance of Rs. 16,40,80,949.54/- (Rupees Sixteen Crores Forty Lakhs Eighty Thousand Nine Hundred Forty-Nine and Fifty-Four Paise). The date of default as mentioned in the Application is 30.11.2019. The notice under Section 13(2) of SARFAESI Act, 2002 was preferred by the Applicant on 11.05.2021. It is seen that the Application under Section 7 of the Code was preferred on 28.10.2022, hence, the Application is well within limitation period.
21. While the matter pertaining to the same set of facts is pending adjudication in DRT, the Corporate Debtor has contended that these proceedings be brushed aside to allow adjudication by DRT of the pending dispute. The provision of the Code i.e. Section 238 gives an overriding effect to the IBC over other laws. Moreover, it has been time and again laid down that proceedings under IBC and the proceedings under SARFAESI, 2002 are independent.
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22. The Hon'ble NCLAT in the matter of *Punjab National Bank vs. M/s Vindhya Cereals Pvt. Ltd., Company Appeal (AT) (Insolvency) No. 854 of 2019* has held that *"In the light of above pronouncement, we are of the considered view that the Financial Creditor can proceed simultaneously under SARFAESI Act, 2002 as well as under I&B Code. Section 238 of I&B Code provides that the provisions of this code shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by the virtue of any such law. Thus, the non-obstante clause of the I&B Code will prevail over any other law for the time being in force."* Hence, the contention of the Corporate Debtor questioning the maintainability of the present Application under Section 7 of the Code, while an application is pending before DRT, is turned down in view of the foregoing ratio laid down by the Hon'ble NCLAT.

23. The first question to answer here is the aspect of debt in the present matter, it is evident from the documents that the Financial Creditor had extended a loan facility in the form of Cash Credit to the Corporate Debtor. Hence, there is a financial debt owed by the Corporate Debtor to the Applicant/Financial Creditor. Next, the Financial Creditor has submitted that the Corporate Debtor defaulted on 30.11.2019 and subsequently a notice was also issued under Section 13(2) of SARFAESI, 2002 on 11.05.2021. A letter dated 29.05.2023 was preferred by the Corporate

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Debtor to the Financial Creditor by which the Corporate Debtor undertook to deposit Rs. 50.00 Lakhs by 31.05.2023 and remaining overdue amount by 30.06.2023. Thereafter, the Financial Creditor vide letter dated 02.06.2023 requested the Corporate Debtor to pay the committed amount of Rs. 50 Lakhs at the earliest and remaining overdue amount by 30.06.2023. It is evident that the default was committed by the Corporate Debtor and the Corporate Debtor also acknowledged to make payment of the default via letter dated 29.05.2023.

24. In view of the aforementioned, we are of the view that Corporate Insolvency Resolution Process ought to be initiated against the Corporate Debtor as all the ingredients laid down under Section 7 of the Code are fulfilled in the present matter.
25. The Applicant has named one *Mr. Rishabh Chand Lodha* having Registration Number IBBI/IPA-001/IP/P-01075/2017-18/11766 (email: rishabhlodha57@gmail.com, Mobile No.: +91 7042527528), duly registered with ICSI 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 named IRP.
26. Consequences of initiation of CIRP shall be inter-alia as follows:

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- 26.1. The Resolution Professional proposed by the Applicant is *Mr. Rishabh Chand Lodha*, who is an IP registered with ICSI Insolvency Professional Agency having Registration No. IBBI/IPA-001/IP/P-01075/2017-18/11766, is hereby appointed as the Insolvency Resolution Professional ('IRP') to take over the affairs of the Corporate Debtor and execute duties as required to be performed by him under the provisions of IBC, 2016, including the issue of the publication in 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 therein.
- 26.2. 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.
- 26.3. 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 to the account of IRP within three

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

- 26.4. 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.
27. 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.
28. In the circumstances, CP No. (IB) 76/7/JPR/2022 is admitted.


(DEEP CHANDRA JOSHI)
JUDICIAL MEMBER


(RAJEEV MEHROTRA)
TECHNICAL MEMBER