

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – II, CHENNAI**

IBA/642/2020

*(filed 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 **GYMPAC FITNESS SYSTEMS PRIVATE LIMITED**

AXIS BANK LIMITED,

Registered Office:

"Trishul", 3rd Floor,
Opposite Samartheshwar Temple,
Near Law Garden, Ellisbridge,
Ahmedabad – 380 006.

Corporate Office:

New No.3, Old No.2, Club House,
Anna Salai, Chennai- 600 002.

... Financial Creditor

-Vs-

GYMPAC FITNESS SYSTEMS PRIVATE LIMITED,

Old No.7A, New No.15,
Giri Road, T.Nagar,
Chennai – 600 017

...Corporate Debtor

Order Pronounced on 1st of July 2022

CORAM:

Justice (Retd) S.RAMATHILAGAM, MEMBER (JUDICIAL)

ANIL KUMAR B, MEMBER (TECHNICAL)

For Financial Creditor: Mr.V.V.Sivakumar, Advocate

For Corporate Debtor: Mr.P.H.ArvindPandian, Senior Advocate,

For A.Saravanan & S.Santhosh, Advocates

ORDER

Per: ANIL KUMAR B, MEMBER (TECHNICAL)

Under Adjudication is an Application that has been filed by **AXIS BANK LIMITED**(hereinafter referred to as '*Financial Creditor*') under Section 7 of the Insolvency & Bankruptcy Code 2016 (in short, 'IBC, 2016') r/w Rule 4 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 against **GYMPACFITNESS SYSTEMS PRIVATE LIMITED**(hereinafter referred to as '*Corporate Debtor*'). The prayer made is to admit the Application, to initiate the Corporate Insolvency Resolution Process against the Corporate Debtor, declare moratorium and appoint Interim Resolution Professional.

2. Part-I of the Application sets out about the Financial Creditor from which, it is evident that the Financial Creditor is a Bank. Further, Part-I lays down the Authorized Signatory of the Financial Creditor to be one Mr. C.Ravikumar and duly authorised by Power of Attorney which is placed at Annexure No.I at page Nos.20 to 29 of the Application typeset.

3. Part-II of the Application lays down all the particulars of the Corporate Debtor from which it is evident that the Corporate Debtor is a Limited Company with CIN: U24246TN1996PTC036885 which was incorporated on 11.11.1996 and the Registered Office of the



Corporate Debtor as per the Application is stated to be situated at Old No.7A,New No.15, Giri Road, T.Nagar, Chennai –600 017. As per Part III of the application, the Financial Creditor has proposed the name of one Mr.V.Mahesh, as the Interim Resolution Professional, who has also filed his consent in Form – 2.

4. From Part-IV of the Application, it is seen that a sum of Rs.12,05,55,318.97/- together with interest till payment and/or realization and the date of default as mentioned in the application is 17.06.2019. Part – V of the Application discloses the details of the documents which have been filed by the Financial Creditor in order to prove the 'Financial debt', which are as follows;

- a) Letter of Sanction bearing reference number SME/SCF/69/2017-18 issued upon the Corporate Debtor by the Financial Creditor dated 06.10.2017.
- b) Master Letter executed by the Corporate Debtor and accepted by TBVFL and lodged with the Financial Creditor dated 09.10.2017.
- c) Board Resolution of the Corporate Debtor to avail the facility from the Financial Creditor dated 09.10.2017.
- d) Demand Promissory Note of Rs.10,00,00,000/- executed by the Corporate Debtor in favour of the Second Defendant dated 10.10.2017.
- e) Promissory Note delivery cum Waiver letter for Rs. 10,00,00,000/- executed by the Corporate Debtor in favour of the Financial Creditor dated 10.10.2017.
- f) Loan Agreement in the form of Undertaking for bills purchased/ discounted/ negotiated inland/ foreign (clean/documentary) dated 10.10.2017 executed by the Corporate Debtor evidencing the granting of loan facility of Rs.10,00,00,000/- and further stipulating the interest as agreed.



- g) Irrevocable Specific Power of Attorney dated 10.10.2017 executed by the Corporate Debtor in favour of TBVFL to issue discounting request/ instructions to the Financial Creditor for debiting facility account of the Corporate Debtor maintained with the Financial Creditor.
- h) Deed of Indemnity Cum Undertaking dated 10.10.2017 in favour of the Second Defendant permitting the Financial Creditor to give access of Vendor account to TBVFL on the basis of aforesaid PoA.
- i) Deed of Indemnity cum Undertaking dated 10.10.2017 in favour of the Financial Creditor for due repayment of the loan facility of Rs.10,00,00,000/- and that the bills/invoices will not be discounted/ factored by any other bank.
- j) General Undertaking and declaration to repay for Rs.10,00,00,000/- executed by the Corporate Debtor dated 10.10.2017
- k) Letters issued by TBVFL to the Financial Creditor accompanied by the Corporate Debtor's letter of authority, bill of exchange, proforma invoice and certificate of installation dated 19.03.2019,20.03.2019,25.03.2019 and 27.03.2019
- l) Demand noticed dated 13.08.2019 issued by the Financial Creditor upon the Corporate Debtor calling upon them to pay forthwith the total outstanding amounts.
- m) Letter issued by the Corporate Debtor upon the Financial Creditor dated 13.08.2019.
- n) Email exchanged between the Corporate Debtor and TBVFL evidencing transfer of monies to TBVFL dated 19.03.2019.
- o) Plaint filed by the Corporate Debtor against the Financial Creditor before the Madras High Court
- p) Record of Default from the Information Utility dated 12.08.2020.
- q) Statement of Accounts of the Corporate Debtor maintained by the Financial Creditor as per its Books of accounts
- r) Annual Report filed by the Corporate Debtor before the Registrar of Companies dated 31.03.2019.



FACTUAL MATRIX OF THE CASE:

5. It was averred in the application that the Corporate Debtor, Gympac Fitness Systems Private Limited, had requested the Financial Creditor to grant financial assistance to the tune of Rs. 10 crores so as to enable it to execute the contracted supply of Gym Equipments to Talwalkars Better Value Fitness Limited ("TBVFL") under a vendor program of TBVFL existing with the Financial Creditor. The Financial Creditor vide its letter of sanction bearing reference number SME/SCF/69/2017-18 dated 06.10.2017 sanctioned the aforesaid facility of Rs 10,00,00,000/- (Rupees ten crores) to the said Corporate Debtor (the Facility").

6. It was further averred in the application that a Master Letter dated 09.10.2017 (executed by the Corporate Debtor and accepted by the said TBVFL), was also submitted with the Financial Creditor, wherein it was agreed between the said parties that the Corporate Debtor would raise a pro forma invoice upon the TBVFL and upon acknowledgment by TBVFL of the Corporate Debtor's proforma invoice and its submission with the Financial Creditor, along with the relevant documents, the Financial Creditor would disburse the facility as per the loan documents to the Corporate Debtor. Thereupon, TBVFL in lieu of payment of consideration for the service rendered by the Corporate Debtor would repay within 90 days the loan of the Corporate Debtor with the Financial Creditor



and in default, the Financial Creditor would have recourse to recover the outstanding dues from the Corporate Debtor as well.

7. It was further averred in the application that the Corporate Debtor accepted all the terms and conditions of the aforesaid facility wherein it was *interalia* agreed that the interest chargeable for the loan facility was 235 basis points above the Financial Creditor's MCLR3 rate of 08.00%, i.e., interest at 10.35% per annum on that date, along with overdue interest of 02.00% per annum, over and above the aforesaid 10.35% per annum.

8. It was further averred in the application that the aforesaid facility was approved by the Board resolutions of the Corporate Debtor dated 09.10.2017. The following are the list of Loan Documents executed by the Corporate Debtor in favor of the Financial Creditor:

DATE OF EXECUTION OF THE DOCUMENT	LOAN DOCUMENTS EXECUTED BY THE CORPORATE DEBTOR
10.10.2017	Demand promissory note for Rs.10,00,00,000/- annexed as Annexure No.9/-
10.10.2017	Promissory Note delivery cum waiver letter for Rs.10,00,00,000/- annexed as Annexure No.10
10.10.2017	Loan Agreement in the form of Undertaking for bills purchased/discounted/ negotiated inland/foreign (clean/Documentary) evidencing the granting of loan facility of Rs.10,00,00,000/- and further stipulating the interest as agreed, annexed as Annexure No.11
10.10.2017	Irrevocable Specific Power of Attorney executed by the Corporate Debtor in favour of TBVFL to issue discounting

	request / instructions to the Financial Creditor for debiting facility amount of the Corporate Debtor maintained with the Financial Creditor, annexed as Annexure No.12
10.10.2017	Deed of Indemnity cum undertaking in favour of the Financial Creditor permitting the Financial Creditor to give access of Vendor Account to TBVFL on the basis of aforesaid PoA, annexed as Annexure No.13
10.10.2017	Deed of Indemnity cum undertaking in favour of the Financial Creditor for due repayment of the loan facility of Rs.10,00,00,000/- and that the bills/ invoices will not be discounted/ factored by any other bank, annexed as Annexure No.14
10.10.2017	General Undertaking and declaration to repay for Rs.10,00,00,000/- annexed as Annexure No.15

9. Pursuant to the execution of the aforesaid loan documents, the Financial Creditor had been disbursing monies, in tranches, between 10.10.2017 and 28.02.2019 to the Corporate Debtor as and when the invoices (of the Corporate Debtor) were presented by TBVFL for bill discounting in accordance with the loan documents. The receipt of the said amounts had been duly acknowledged by the Corporate Debtor, and TBVFL had been making its timely repayment with the Financial Creditor until February 2019.

10. During the month of March 2019, TBVFL issued four letters to the Financial Creditor, accompanied by a letter of authority, bill of exchange, proforma invoice and certificate of installation issued and duly signed by the Corporate Debtor, stating inter alia that "We (TBVFL) confirm that the Hundi represents genuine trade



transaction and the goods covered under the enclosed invoices have been delivered in good condition" and requested the Financial Creditor to grant the bill discounting facility of Rs. 10,00,00,000/- and transfer the funds to the account of the Corporate Debtor.

11. Accordingly, the Financial Creditor, in accordance with the loan documents and the Irrevocable specific power of attorney dated 10.10.2017 executed by the Corporate Debtor, disbursed the afore said facility totalling Rs.10,00,00,000/- to the Corporate Debtor, on 19.03.2019, 22.03.2019, 25.03.2019, and 27.03.2019. The details of the Corporate Debtor's bills that were discounted by the Financial Creditor pursuant to the request made by TBVFL is as follows:

S.No	Particulars	Invoice Date	Amount (Rs.)
1	TBVF/GFSPL/013	19.03.2019	2,50,00,000/-
2	TBVF/GFSPL/014	22.03.2019	2,50,00,000/-
3	TBVF/GFSPL/015	25.03.2019	2,50,00,000/-
4	TBVF/GFSPL/016	27.03.2019	2,50,00,000/-
			10,00,00,000/-

12. The date of disbursement of monies and maturity date of the aforesaid invoices at 90 days is provided below:

Disbursement Date	Maturity Date
19.03.2019	17.06.2019
22.03.2019	20.06.2019
25.03.2019	21.06.2019
27.03.2019	25.06.2019

13. It was further averred in the application that in terms of the loan documents, TBVFL failed to adhere to the repayment schedule and failed to make any payment despite repeated demands. In view of the aforesaid default in repayment by TBVFL, the Financial Creditor was constrained to call upon the Corporate Debtor to repay the outstanding dues amounting to Rs. 10,14,90,411.52/-, as of 13.08.2019, along with interest, since the recourse for repayment falls upon the Corporate Debtor in accordance with the duly accepted letter of sanction dated 06.10.2017 under the column 'Action plan in the event of default' and under Clause 15 of the Loan agreement in the form of Undertaking for bills purchased discounted negotiated inland foreign (clean/documentary) dated 10.10.2017.

14. Under the said circumstances, a demand notice dated 13.08.2019 was issued recalling the entire facility declaring the unpaid principal amount and interest and all other amounts payable under the loan documents as due and payable was issued to the Financial Creditor and the Corporate Debtor were called upon to pay forthwith the total outstanding amount of Rs. 10,14,90,411.52/- along with interest as on 31.08.2019. The Corporate Debtor has failed to comply with the afore-said notice.

15. It was further averred in the application that the Corporate Debtor vide its reply dated 13.08.2019 addressed to the Financial



Creditor had alleged that the aforesaid invoices and the other letters of authority, bill of exchange, and certificate of installation letters were not signed or issued by the Corporate Debtor. However, the Corporate Debtor had proceeded to transfer/ diverted a sum of Rs. 9,25,00,000/- to TBVFL /its Group Companies and the balance amount of Rs. 25,00,000/- was retained by itself.

16. It was further averred in the application that assuming that there was no business transaction between the Corporate Debtor and TBVFL/Annexure 16 to 19 were not signed by the Corporate Debtor and also assuming that an amount. of Rs. 10,00,00,000/- was credited into the Corporate Debtor's account by the Financial creditor in a mistaken manner, the Corporate Debtor as a prudent person ought to have written to the Financial creditor and refunded the said amount of Rs. 10,00,00,000/- back to the Financial creditor and not indulged in diversion of funds by transferring Rs. 09.25 crores to TBVFL, which is an admitted fact and who is none other than the recipient of service (and liable for the repayment in the first place).

17. Thus, the Corporate Debtor failed to discharge their obligations for repayment of the principal amount and interest arising under the loan documents and an Event of Default had occurred and is continuing. The Corporate Debtor was called upon a number of



times to regularize of its account but in spite of various meetings, reminders and discussions, the Corporate Debtor, has time and again, failed and willfully neglected to repay the dues of the Financial Creditor.

18. As such, the account of the Corporate Debtor became Sub-Standard and as per the norms of Reserve Bank of India and subsequently, the account of the Corporate Debtor was declared as a Non-Performing Asset ("NPA") on 17.09.2019, in accordance with the guidelines issued by the Reserve Bank of India.

19. In the meantime, the Corporate Debtor filed a civil suit before the Hon'ble Madras High Court, bearing reference number C.S. (Commercial Division) No. 516 of 2019, against the Financial Creditor and TBVFL, annexed as Annexure No. 23, seeking a mandatory injunction directing the Financial Creditor to remove the name of the Corporate Debtor from the list of defaulters and also to restrain the Financial Creditor from notifying the Corporate Debtor's name as 'Defaulter / Willful Defaulter', apart from seeking damages to the tune of Rs. 1,00,00,100/-. The said suit is pending adjudication and it is relevant to state that the said suit has no bearing on the default in repayment committed by the Corporate Debtor.



REPLY FILED BY THE RESPONDENT:

20. The Learned Counsel for the Respondent had filed a counter wherein it was stated that the Applicant had filed the present application, only based on the Sanction Letter dated 06.10.2017 and other documents executed in 2017. It is pertinent to note that the sanction letter dated 06.10.2017 automatically expires on 05.10.2018 and the same has not been renewed and hence there is not agreement/Contract between the parties.

21. It was further submitted by the Learned Counsel for the Respondent that the Applicant is claiming to have transferred sums, without Proper GST Invoice, E-way Bill, Lorry Receipt Copy etc., based on forged Bills of Exchange, Hundi, Installation Certificate. It is pertinent to note that none of the forged documents was shared with the Respondent, prior to August, 2019. In simplex, the Respondent has not issued any invoice or Proforma Invoice as claimed by the Applicant and the invoices which are referred by the Applicant are forged proforma invoices.

22. The main bone of contention of the Respondent is that the Respondent did not renew the loan/facility nor had executed any documents in favour of the Applicant and in the absence of any Facility in existence and non-acceptance of any recourse of facility, subsequent to the facility expired for the year 2017, the Applicant



cannot make the Respondent liable for the defaults committed by Talwalkar.

23. The Learned Counsel for the Respondent further submitted that the present application has been filed by the Applicant based on forged documents, using this forum as a recovery proceedings, since Talwalkars Better Value Fitness Limited has gone into corporate insolvency resolution process. It is submitted that Axis Bank (Applicant herein) filed an Application under Section 7 of IBC, 2016 vide C.P. (IB) No. 1056/NCLT/MB/C-IV/2020 on the file of the NCLT, Mumbai and the same was admitted vide Order dated 11.01.2021.

24. The other contention repeatedly raised and alleged by the Respondent that the loan documents/Sanction Letter produced by the Applicant are based on forged, fabricated and unexecuted documents and seeking dismissal of the present application.

25. The Learned Counsel for the Applicant had filed written submissions wherein the Applicant placed reliance on Clause 15 of the Loan Agreement dated 10.10.2017 which is extracted hereunder:

"The Borrower confirms and assures the Bank that the bills, drafts, negotiable Instruments or other securities (hereunder referred to as "the said Bills") that may be negotiated and/or



discounted and/or purchased by the Bank will be promptly paid together with Interest, costs (including those as between Attorney and Client), charges and expenses due thereon by the drawees thereof and on default in payment thereof, the Borrower irrevocably and unconditionally agrees and undertakes to make good to the Bank on demands all losses occasioned to the Bank by reason of non-payment of the amount of the Bills or breach or non-observance of the obligations on the part of the drawees of the said bills and the Borrower further agrees and undertakes irrevocably and unconditionally that in the event of the non-payment of the amounts due on the said Bills together with Interest, costs (Including those as between Attorney and Client), charges and expenses as aforesaid the Borrower will make payment thereof to the Bank on demand and the Borrower authorises the Bank to debit its account with It will all such monies as the Borrower may be liable to pay In respect thereof and agrees that the Bank shall be entitled to proceed against and recover from any property of the Borrower including any credit balance held by the Bank and any security for the time being held by the Bank, either primarily or as collateral or as contingent by sale or otherwise and allocate and apply the net proceeds of sale and realisation thereof and any other monies in the hands of the bank standing to the credit of the Borrower or belonging to the Borrower on any account whatsoever in such order and in such manner as the Bank may in the circumstances think fit on or towards payment of the all amounts due and payable in respect of the said Bills.

.....

26. The other contention raised by the Financial Creditor in the written statement is that the consideration for time value of money has been admitted by the Corporate Debtor at Paragraph 16 and 17 of its reply dated 03.03.2021 wherein the Corporate Debtor has admitted receipt of Rs. 10,00,00,000/- from the Financial Creditor, which sum was disbursed by the Financial Creditor in terms of the loan documents that are annexed as Annexure Nos. 6 to 15 and admittedly executed by the Corporate Debtor. There are no other commercial transactions between the Financial Creditor and the



Corporate Debtor. Therefore, the present debt squarely falls under the definition of "financial debt" defined under Section 5(8)(1) of the Code and thus, Section 7 filed by the Financial Creditor ought to be allowed.

27. The learned Counsel for the Corporate Debtor had filed written submissions by reiterating the points made in the counter and submitted that since the Corporate Debtor has not signed the renewal facility and could not make the Corporate Debtor liable for the default.

FINDINGS:

28. Heard the submissions made by the Learned Counsel for both the parties and perused the records including the pleadings placed on record. This Tribunal after comprehensively hearing the said matter is of the view that, the debt and default had been proven beyond reasonable doubt. Furthermore, it is an admitted and undisputed fact that the Corporate Debtor has admitted receipt of Rs. 10,00,00,000/- from the Financial Creditor, which sum was disbursed by the Financial Creditor and it is has been admitted by the Corporate Debtor in para 15 to 17 of the Counter Affidavit.

29. Further it can be seen from clause 15 of the loan agreement that in the case of default the borrower (Corporate Debtor) is liable and the said loan agreement has been executed by the Corporate



Debtor in favour of the Financial Creditor which is placed at Page Nos.62 to 68 of the typed set.

30. In order to prove the debt and default the applicant had placed the Record of Default of NeSL website which is placed at Page Nos. 135 to 144 of the typed set filed along with the application, from which it is clear that the Corporate Debtor has committed default in repayment of its credit facilities availed from the Financial Creditor by way of credit facilities sanctioned, granted and disbursed by the Applicant. The record produced by the applicant received from the Information Utility shows as "Deemed to be Authenticated". The status of authentication as "Deemed to be Authenticated" is prima facie evidence for smooth admission under Section 7 of the IBC.

31. Here it is relevant to refer to the Hon'ble Supreme Court decision in ***Innoventive Industries Ltd Vs. ICICI Bank & Anr,*** wherein it was held as follows

"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"

32. In view of the above, this Adjudicating Authority is satisfied that the debt disbursed by the Financial Creditor herein is financial debt under Section 5(8), there is a clear admission of default by the Corporate Debtor and the application under Section 7 was filed on 25.11.2021, well within the limitation.

33. Thus, taking into consideration the facts and circumstances of the case as well as the position of Law, we are of the considered view that this Application as filed by the Financial Creditor is required to be admitted under Section 7 (5) of the IBC, 2016.

34. The Financial Creditor has proposed the name of one Mr. V. Mahesh, however upon perusal of the IBBI data it is found that the proposed IRP's registration has expired and thus this Adjudicating Authority appoints **Mr. Mukundan**, having Registration Number **IBBI/IPA-001/IP-P01419/2018-2019/12162** (**e-mail: g.mukundan1955@gmail.com**) as Interim Resolution Professional (IRP) from the latest panel for July 1, 2022 to December 31, 2022 issued by IBBI. The IRP appointed is directed to take forward the process of Corporate Insolvency Resolution of the Corporate Debtor. The IRP appointed shall take in this regard such other and further steps as are required under the Statute, more



specifically in terms of Section 15,17,18 of the Code and file his report within 20 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a consequence of the initiation of the CIR Process in relation to the Corporate Debtor in terms of the provisions of I&B Code, 2016. The Financial is directed to pay a sum of Rs. 2,00,000/- to the IRP upon the IRP filing the necessary declaration form as required under the provisions of the code to meet out the expenses to perform the functions assigned to him.

35. As a consequence of the Application being admitted in terms of Section 7 of the Code, moratorium as envisaged under provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor;

- a. The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including the 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.

Explanation.-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license or a similar grant or right during moratorium period;

36. However, during the pendency of the moratorium period in terms of Section 14(2) (2A) and 14(3) as extracted hereunder:

- (2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during the moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the



operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

- (3) The provisions of sub-section (1) shall not apply to
- (a) such transactions, agreements or other arrangements as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;
 - (b) a surety in a contract of guarantee to a corporate debtor.

37. The duration of the period of moratorium shall be as provided in Section 14(4) of the Code and for ready reference reproduced as follows:

- (4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the 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, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.

38. Based on the above terms, the Petition stands **admitted** in terms of Section 7 of the Code and the Moratorium shall come into



effect as of this date. A copy of the order shall be communicated to the Petitioner as well as to the Corporate Debtor above named by the Registry. In addition, a copy of the order shall also be forwarded to IBBI for its records. Further, the IRP above named be also furnished with a copy of this order forthwith by the Registry, who will also communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

-SD-

ANIL KUMAR B
MEMBER (TECHNICAL)

-SD-

Justice (Retd) S.RAMATHILAGAM,
MEMBER (JUDICIAL)