

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

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

**SHRI RAGHU NAYYAR,
HON'BLE TECHNICAL MEMBER**

CP No. (IB) – 97/7/JPR/2019

(Application Under Section 7 read with 60(5) of the Insolvency and Bankruptcy Code, 2016 & Rule 11 of the NCLT Rules, 2016)

IN THE MATTER OF:

YADUKA FINANCIAL SERVICES LIMITED

..... FINANCIAL CREDITOR

VERSUS

SNG REALESTATE PRIVATE LIMITED

.....CORPORATE DEBTOR

MEMO OF PARTIES

Yaduka Financial Services Limited

CIN: U51109WB2007PLC117012

Registered office at: 16/1A, Abdul Hamid Street, (Previously Known as British India Street) 2nd Floor, Room No. 2B, Kolkata- 700069 (West Bengal)

..... Petitioner / Financial Creditor

VERSUS

SNG Realestate Pvt. Ltd.

CIN: U45201RJ2008PTC027756

Registered office at : 707, Paris Point Bani Park, Jaipur- 302016 (Rajasthan)

.....Respondent / Corporate Debtor

CP No. (IB) – 97/7/JPR/2019

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For the Financial Creditor : Sourojit Dasgupta, Adv.
Prashant Kumar, Adv.

For the Corporate Debtor : Naresh Kumar Sejvani, Adv.

Order Pronounced On: 06.04.2022

ORDER

Per: Shri Deep Chandra Joshi, Judicial Member

1. This application is filed by M/s Yaduka Financial Services Limited ('Applicant'/ 'Financial Creditor') through its director Mr. Kamal Kishore Dalmia, who is duly authorized vide board resolution dated 22.02.2019, against the Corporate Debtor namely M/s SNG Realestate Private Limited ('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 Public Limited Company, incorporated under the Companies Act, 1956 and duly registered with the Registrar of Companies, Kolkata, having CIN: U51109WB2007PLC117012. The registered office of the company is located at 16/1A, Abdul Hamid Steet, 2nd Floor, Room No – 2B, (Previously known as British India Street), Kolkata, West Bengal - 700069.

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3. The Corporate Debtor is a Private Limited Company, incorporated under the Companies Act, 1956 on 17.11.2008 and duly registered with the Registrar of Companies, Jaipur, having CIN: U45201RJ2008PTC027756. The registered office of the company is situated at 707, Paris Point, Bani Park, Jaipur Rajasthan- 302016. The authorized share capital of the company is Rs. 10,00,00,000 (Rupees Ten Crores Only) and paid-up share capital of Rs. 4,99,00,000 (Rupees Four Crores Ninety-Nine Lacs Only).
4. The details of the transactions leading to the filing of this application averred by the Applicant are as follows:
- a. The Corporate Debtor approached the Financial Creditor to avail funds of Rs. 1,00,00,000 (One Crore Only) against the pledge/ mortgage of plots of land situated at one of its projects namely 'Parth City East, Udaipur'. In accordance with the same the parties herein entered into a Memorandum of Understanding ('MOU') dated 29.10.2015 whereby the Corporate Debtor provided security by pledging Nineteen (19) plots of Total Area 63110.94 sq. fts in the form of four Original Provisional Allotment Letters dated 06.05.2015 against the disbursement of Rs. 1,00,00,000/- (Rupees One Crore Only).
 - b. The MOU also states that the Financial Creditor herein had provided a sum of Rs. 1,00,00,000/- (Rupees One Crores Only) for a period of one year at the interest rate of 9% p.a. vide two

transactions of Rs. 50,00,000/- (Rupees Fifty Lacs Only) each dated 27.04.2015 and 04.05.2015 thereby reflecting the acknowledgement of the receipt of the aforesaid amount.

- c. The Corporate Debtor never disputed its liability in respect of the loan and repaid part of the principal amount i.e. Rs. 25,00,000/- (Rupees Twenty-Five Lacs Only) on 16.08.2016. Along with the aforesaid, the Corporate Debtor paid a sum of Rs. 12,27,284/- (Rupees Twelve Lacs Twenty-Seven Thousand Two Hundred and Eighty-Four Only) towards interest after deduction of TDS.
- d. The Corporate Debtor had also given another cheque of Rs. 25,00,000/- (Rupees Twenty-Five Lacs) dated 31.10.2017 which was returned on presentation due to insufficient funds. A legal notice dated 24.01.2018 was sent to the Corporate Debtor to make the payment of Rs. 25,00,000/- within 15 days of receipt of the notice, but the same was neglected and therefore, the Financial Creditor filed a complaint under the provisions of the Negotiable Instruments Act, 1881 before the Court of Metropolitan Magistrate, Kolkata.
- e. Therefore, the total amount outstanding as on 31.03.2019 is Rs. 92,42,227/- (Rupees Ninety-Two Lacs Forty-Two Thousand Two Hundred and Twenty-Seven Only). The date of default is 04.05.2016 considering that the Loan was for a period of one year

from the date of payment of 2nd instalment of Rs. 50,00,000/- (Rupees Fifty Lacs Only) on 04.05.2015.

Therefore, the petition is within limitation.

5. As a consequence of the aforementioned default, this Application has been filed seeking initiation of CIRP against the Corporate Debtor. The Applicant claims that the Corporate Debtor is liable to pay the aggregate amount of Rs. 92,42,227 (Rupees Ninety-Two Lacs Forty-Two Thousand Two Hundred and Twenty-Seven) as of 31.03.2019, as reflected in Part IV of the Application.

Part IV

S. No.	Particulars of Financial Debt		
1.	Total amount of debt granted Date(s) of disbursement	Amount of Loan granted as per MOU dated 29.10.2015 is Rs. 1 Crore, which was disbursed as follows:	
		<i>Date of Disbursal</i>	<i>Mode of Disbursal</i>
		<i>Amount of Disbursal</i>	
		27.04.2015	NEFT
		Rs. 50 Lacs	
		04.05.2015	NEFT
		Rs. 50 Lacs	
2.	Amount claimed to be in default and the date on which the default occurred	Outstanding Amount as on 31.03.2019 a) Principal Outstanding - Rs. 75,00,000. b) Interest Payable (from 01.12.2016 to 31.03.2019 @ 9% p.a.) - Rs. 16,88,597.	

		<p>c) TDS not deposited with the Govt. for the period 01.04.2016 to 31.11.2016 - Rs. 53,630.</p> <p>Total Outstanding (a+b+c) = Rs. 92,42,227/-</p> <p>The Financial Creditor reserved its right to file an updated claim before the RP inclusive of the applicable interest post 31.03.2019.</p> <p>The Date of Default is as stated to be 04.05.2016 in respect of the short-term loan.</p>
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6. Consequent to the notice issued by this Adjudicating Authority, the Respondent filed its reply *vide* Dairy No. 2490/2019 dated 24.10.2019 stating as follows:

- a. In order to avoid the payment of heavy & weighty finance cost, the Corporate Debtor availed financial assistance by providing security for payment of debt, interest etc in the form of pledge and decided/fixed upon the sale value of the pledged property *vide* MoU dated 29.10.2015. The said MOU provides that the tenure for the repayment of the loan amount shall be one year along with the interest rate of 9% p.a. effective from 04.05.2015, i.e., the last disbursement date.
- b. The Corporate Debtor has mentioned that as per the MOU, in case of non-repayment of amount and interest, the lender shall have the

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right to retain the plots which at that time shall be valued at Rs. 200/- per sq. ft. and after deducting the amount due and interest, the balance amount shall be paid by the Lender to the Borrower. Also in that case the plots mentioned shall become the property of lender after making the balance payment as calculated below. Therefore, it is patently clear that the Financial Creditor has to take the possession of the plots in accordance with the MOU and pay the balance amount to the Corporate Debtor.

- c. Therefore, as per the MoU, in case of non-repayment of principal amount and interest, the Lender i.e. the Financial Creditor herein shall have the right to retain the 19 plots in 'Parth City East Udaipur' admeasuring area of 63110.94 sq. ft. being valued at the rate of Rs. 200/- per sq. ft. and the Applicant shall pay the balance amount to the Corporate Debtor which is tabulated below:

	Valuation at the time of the creation of security	Valuation in case of non-repayment
<i>Total Area of 19 Plots</i>	63110.94 sq.ft.	63110.94 sq.ft.
<i>Rates</i>	Rs. 180	Rs. 200
<i>Total Amount of Security (Total Area of Plots (X) Rates)</i>	Rs. 1,13,59,969.20	Rs. 1,26,22,188.00
<i>Loan Amount</i>	Rs. 1,00,00,000/-	

<i>Amount Repaid</i>	Rs. 25,00,000/-
<i>Balance Amount</i>	Rs. 75,00,000/-
<i>Amount claimed in the Petition</i>	Rs. 92,42,227.00
<i>Balance amount payable by the Applicant/Petitioner</i>	Rs. 1,26,22,188 (-) Rs. 92,42,227 = Rs. 33,79,961

The valuation of the pledged property at the time of creating security were determined and agreed amongst the parties at Rs. 180.00/- per sq.ft., and further in case of non-repayment of amount and interest, the pledged property shall be valued at Rs. 200/- per sq. fts. Hence the balance amount payable by the Financial Creditor to the Corporate Debtor is Rs. 33,79,961/- (Rupees Thirty-Three Lacs Seventy-Nine Thousand Nine Hundred and Sixty-One Only)

- d. The Corporate Debtor has contended that the Financial Creditor has no locus standi to file the present case. The transaction by virtue of Pledge Deed/MOU/Provisional Allotment clearly establishes that the Financial Creditor entered into the conditions sale/purchase agreement with the Corporate Debtor wherein the Financial Creditor unconditionally accepted to take the plots at Rate of Rs. 200.00/- per sq. fts. The Financial Creditor has filed the present petition after 3 years, with an intent to play a free hit ball attempting

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to harass the Corporate Debtor with unreasonable means. It is pertinent to mention that the Corporate Debtor has not denied the applicant/petitioner to register the aforesaid pledged plots in its name.

- e. The Corporate Debtor contended that as per the provision of Section 2(7) of the Sale of Goods Act, 1930, goods mean every kind of movable property other than actionable claims and money and includes stock and shares, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale. As per Indian Contract Act, 1872 only goods can be pledged or bailed, therefore, the MOU dated 29.10.2015 is nothing but a void contract and is not admissible in the eyes of law. Even if it is assumed that the MOU was not void, under those circumstances also, the pawnee i.e. Financial Creditor herein is required to serve upon the pawnor i.e. the Corporate Debtor herein statutory notices under Section 176 of the Indian Contract Act, 1872.
- f. The Corporate Debtor has also contended that the claim is barred by limitation. As per the Corporate Debtor, the applicant seeks to invoke the pledge arising out of the MOU dated 29.10.2015 within 1 year from the date of disbursement i.e. 04.05.2015. Therefore, default occurred on 04.05.2016 and the present petition was to be

filed on or before 04.05.2019, which has not been done. The claim made through the application is barred by the law of limitation. The Corporate Debtor also referred to Section 238A of the Code at the time of making the aforementioned submissions.

- g. The Corporate Debtor also laid down the ingredients of Sale Contract as Offer, Consideration, Acceptance and Object and ingredients of Loan as Offer, Consideration, Acceptable and Repayable. It was contended that from the aforesaid ingredients it is abundantly clear that the transaction was a sale contract and cannot be classified as loan because it lacks the significant ingredient i.e. repayable conditions in case of default. The MOU clearly states that in case of default in repayment of Rs. 1 Crore, the Applicant is compulsorily to purchase the plot as it does not say either the loan is repayable on demand or in case of failure the CD is required to surrender the flat after receiving the balance consideration.
- h. The Corporate Debtor has further submitted that the Financial Creditor is not eligible to file this present petition as according to the terms of MOU, the Corporate Debtor is eligible to claim an amount to the tune of Rs. 33,79,961/- along with interest, registration charges, duties, taxes and penalties. Along with the

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aforesaid, the Corporate Debtor has contended that there is no default and therefore, no cause of action arises.

- i. The application has not been filed in prescribed form and format, including non-fulfilment of Clause 7(2)(h) of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016

7. The Respondent has relied on the following list of Judgments:

- a. *Pioneer Urban Land and Infrastructure Ltd. v. Union of India (2019) 8 SCC 416.*
- b. *B. K. Educational Services Private Limited v. Parag Gupta and Associates (2019) 11 SCC 633.*
- c. *Manish Kumar & Ors. v. Union of India & Ors. (2021) 5 SCC 1.*
- d. *Ravi Mahajan v. Sunrise 14A/S, Denmark, Company Appeals (AT)(Insolvency) Nos. 141 & 146 of 2017.*
- e. *Shubha Sharma v. Mansi Brar Fernandes, NCLAT Company Appeal (AT) (Insolvency) No. 83 of 2020*
- f. *Navin Raheja v. Shilpa Jain & Ors. NCLAT Company Appeal (AT) (Insolvency) No. 864 of 2019*
- g. *Nandkishore Harikishan Attal v. Marvel Landmarks Pvt. Ltd. NCLT Mumbai Bench, CP(IB) 2529/MB/2019.*

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8. In *Pioneer Urban Land and Infrastructure Ltd. (supra)*, the Hon'ble Supreme Court of India made certain observations in respect to home buyers. The Hon'ble Court has observed the following:

56.once this prima facie case is made out, the burden shifts on the promoter / real estate developer to point out in their reply that the allottee is himself a defaulter and would, therefore, on a reading of the agreement and the applicable RERA Rules and Regulations, not be entitled to any relief including payment of compensation and/or refund, entailing a dismissal of the said application. At this stage also, it is important to point out, in answer to the arguments made by the petitioners, that under Section 65 of the Code, the real estate developer can also point out that the insolvency resolution process under the code has been invoked fraudulently, with malicious intent, or for any purpose other than the resolution of insolvency. This the real estate developer may do by pointing out, for example, that the allottee who has knocked at the doors of the NCLT is a speculative investor and not a person who is genuinely interested in purchasing a flat/apartment.....

9. The Hon'ble Supreme Court in *B. K. Educational (supra)* dealt with the applicability of the provisions of the law of limitation over the Code. The Hon'ble Supreme Court held the following:

“42. It is thus clear that since the Limitation Act is applicable to applications filed under Section 7 and 9 of the Code from the inception of the Code, Article 137 of the Limitation Act gets attracted. “The right to sue”, therefore, accrues when a default occurs. If the default has occurred over three years prior to the date of filing of the application, the application would be barred under Article 137 of the Limitation Act, save and except in those cases where, in the facts of the case, Section 5 of the Limitation Act may be applied to condone the delay in filing such application.”

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10. The Hon'ble NCLAT in Ravi Mahajan (*supra*) held that the application preferred by the Respondent under Section 7 is not complete in the absence of 'records of default', as required in terms of sub-section (3)(a) of Section 7 of the 'I&B Code'. In such case, it was not open to the Adjudicating Authority to entertain the application preferred by Respondent.
11. The Applicant filed its rejoinder *vide* Diary No. 2265/2021 dated 01.11.2021 submitting the following:
- a. The Corporate Debtor has admitted and acknowledged that it had availed credit facilities, which were to be repaid along with interest at the rate of 9% p.a. within one year.
 - b. The Corporate Debtor has admitted and acknowledged that collateral security was furnished to secure repayment of the said loan, and such, security interest in respect of the plots was created in favour of the financial creditor. Further the Corporate Debtor has acknowledged repayment to the tune of Rs. 25 Lacs out of the entire amount of Rs. 1 Crore and therefore, the principal amount of Rs. 75,00,000/- is admitted due.
 - c. The application contains all the material disclosures, annexures and proofs for the commencement of CIRP against the Corporate Debtor, including records of defaults. The default is indicated through the MOU filed in the present application and admissions made by the Corporate Debtor in its reply.

- d. The Financial Creditor also submitted that under Section 176 of the Indian Contract Act, 1872, the pawnee i.e. the Financial Creditor herein, has a clear right to sue the pawnor i.e. the Corporate Debtor herein upon the debt or promise and retain the goods pledged as a collateral security. Accordingly, the contention of the Corporate Debtor stating that the Financial Creditor has only the right to retain possession of the plots in question is baseless and misconceived. Further the Financial Creditor stated that the possession of the pledged plots is not with him and there is no documentary evidence furnished to substantiate the contention of the Corporate Debtor whereby the Financial Creditor is in possession of the pledged plots. It is a well settled law that the pledged thing does not automatically become the property of the pawnee on default of repaying the dues.
- e. The Financial Creditor has further submitted that the plots were mortgaged as a security for repayment of loans advanced to the Corporate Debtor. Accordingly, a security interest was created and therefore, the claim of the financial creditor falls within the ambit of Section 5(8)(a) and Section 5 (8)(b) of the Code. From the MOU it is evident that the Financial Creditor has the right, but not the obligation, to retain the pledged plots. It has also been mentioned that the amount was lent and advanced to the Corporate Debtor not as a consideration for the sale of the plots.

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- f. The Financial Creditor mentioned that the Corporate Debtor never made a demand for the sum of Rs. 33,79,961/-. The Corporate Debtor essentially urged a purported counter-claim, for which no further steps have been taken by the corporate debtor, solely due to the reason that there exists no counter-claim whatsoever.
12. We have gone through the documents filed by both parties and heard the arguments made by the counsels. The Applicant has claimed the default on the part of the Corporate Debtor for the Loan amount of Rs. 92,42,227 (Ninety-Two Lacs Forty-Two Thousand Two Hundred and Twenty-Seven) as on 31.03.2019.
13. A mere plain reading of the provision under section 7 of IBC shows that to initiate CIRP under Section 7 of the Code, 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.
14. Bare perusal of the MOU entered between the parties herein shows that the Financial Creditor provided a sum of Rs. 1 Crore to the Corporate Debtor for a period of One Year at the interest rate of 9% p.a., the disbursement of which was made via two transactions of Rs. 50,00,000/- (Rupees Fifty Lacs) each on 27.04.2015 and 04.05.2015, the receipt of the same has been

acknowledged by the Corporate Debtor in the said MOU. The Corporate Debtor admittedly repaid part of the principal amount i.e. Rs. 25,00,000/- (Rupees Twenty-Five Lacs Only) on 16.08.2016. The Financial Creditor has submitted that another cheque of Rs. 25,00,000/- (Rupees Twenty-Five Lacs) dated 31.10.2017, against repayment of the said loan, which was disbursed by the Corporate Debtor came to be returned by the concerned Bank due to insufficient funds, proof of same has been annexed with the Application as Annexure F2. Therefore, it is clear that there is default on part of the Corporate Debtor in repayment of the said loan.

15. The Corporate Debtor has made various contradictory statements with regard to the MOU dated 29.10.2015. Firstly, the Corporate Debtor while relying on the MOU has contended that the Financial Creditor has the right to retain plots which shall be valued at the rate of Rs. 200/- per sq. ft. and thereby after payment of the balance amount of Rs. 33,79,961/- (Rupees Thirty-Three Lacs Seventy-Nine Thousand Nine Hundred and Sixty-One Only) to the Corporate Debtor, the plots shall become the property of the Financial Creditor/Lender. Secondly, the Corporate Debtor has contended that as per the Indian Contract Act, 1872, only goods can be pledged or bailed, and the said plots do not come within the aforesaid definition, thereby the MOU dated 29.10.2015 is a void contract and not admissible in law. The Corporate Debtor has taken conflicting stands in his pleadings whereby at one instance he is relying on the MOU to claim a sum of Rs.

33,79,961/- (Rupees Thirty-Three Lacs Seventy-Nine Thousand Nine Hundred and Sixty-One Only) and on the other hand he is stating that the MOU is not admissible in law which depicts his approbation and reprobation at the same time. The argument of the Corporate Debtor stating that the MOU is void stands nullified by the demand of Rs. 33,79,961/- (Rupees Thirty-Three Lacs Seventy-Nine Thousand Nine Hundred and Sixty-One Only) in accordance with the MOU itself. Further the demand of Rs. 33,79,961/- (Rupees Thirty-Three Lacs Seventy-Nine Thousand Nine Hundred and Sixty-One Only) on behalf of the Corporate Debtor has only been made after the filing of the present application, this is a rather confusing/confused state of affairs. Therefore, we find no merit in the aforementioned submissions.

16. The Corporate Debtor assuming that the MOU is not void has submitted that the Financial Creditor has not served statutory notice under Section 176 of the Indian Contract Act, 1872 upon the Corporate Debtor. The Financial Creditor in reply to the same has submitted that under Section 176 of the Indian Contract Act, 1872, the Financial Creditor i.e. the pawnee has a clear right to sue the Corporate Debtor i.e. the pawnor upon the debt or promise and retain the goods as pledged as collateral security. Further the Corporate Debtor has time and again stated that the possession of pledged plots is with the Financial Creditor but failed to provide any proof of the same. The contention of the Corporate Debtor does not hold ground in the present

scenario as there is failure to prove the possession of the pledged plots with the Financial Creditor.

17. The Corporate Debtor has contended that the transaction was a sale contract and cannot be classified as loan because it lacks the basic ingredient i.e. repayable conditions in case of default and the Corporate Debtor is eligible to claim an amount to the tune of Rs. 33,79,961/- (Rupees Thirty-Three Lacs Seventy-Nine Thousand Nine Hundred and Sixty-One Only). The Corporate Debtor also contended that as there is no default, no cause of action arises. The Financial Creditor on the other hand has submitted that the plots were mortgaged as a security for repayment of loans advanced to the Corporate Debtor. Accordingly, a security interest was created and therefore, the claim of the financial creditor falls within the ambit of Section 5(8)(a) and Section 5 (8)(b) of the Code. On a bare perusal of the application and documents submitted by the Financial Creditor, it has been sufficiently established that the nature of alleged advances was given for consideration for the time value of money, therefore, there is a clear debt in the present case and default of the same is apparent from the records.
18. The Corporate Debtor has admittedly stated that the default occurred on 04.05.2016 and thereby the present petition was to be filed on or before 04.05.2019. It is apparent from the records that the present petition was filed vide Diary No. 650 dated 15.04.2019, which is well within limitation. Furthermore, Section 18 and Section 19 of the Limitation Act, 1963 state

that a fresh period of limitation will be computed from the time when the acknowledgment of debt was so signed and when the last payment was made before the expiration of the prescribed period respectively. In the present matter, the Corporate Debtor has admittedly made a payment of Rs. 25,00,000/- (Rupees Twenty-Five Lacs Only) on 16.08.2016 which automatically extends the limitation period to file the present petition. Therefore, the submissions made by the Corporate Debtor claiming the application to be barred by limitation are baseless.

19. Further the judgments relied upon by the Corporate Debtor based on real estate projects and homebuyers are not applicable in the present case. The present case is not of a homebuyer or investor who has purchased the flats for the purpose of dwelling or investment. In the present case the Financial Creditor which is a Non-Banking Financial Institution, has disbursed Rs. 1 Crore to the Corporate Debtor, repayment of which has been defaulted by the Corporate Debtor and thereby, the cause of action to file the present petition arose.
20. In view of the aforementioned, we are of the view that Corporate Insolvency Resolution Process be initiated against the Corporate Debtor.
21. This Adjudicating Authority perused all the relevant papers and found them in order. The Registered Office of Corporate Debtor is situated in Jaipur, and therefore this Adjudicating Authority has jurisdiction to entertain and try this application.

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22. The Applicant has named one Mr Ajay Kumar Agarwal having Registration Number IBBI/IPA-002/IP-N00608/2018-19/11859 (email: cs.aaa.2014@gmail.com, Mobile No.: +91-9883362775), 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.

23. Consequences of initiation of CIRP shall be inter-alia as follows:

- (i) The Resolution Professional proposed by the Applicant is Mr. Ajay Kumar Agarwal, who is an IP registered with ICSI Insolvency Professional Agency having Registration No. IBBI/IPA-002/IP-N00608/2018-19/11859. 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 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 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 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.

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24. 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.
25. In the circumstances, CP No. (IB) 97/7/JPR/2019 is admitted.

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(Deep Chandra Joshi)
Judicial Member

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(Raghu Nayyar)
Technical Member