

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
SPECIAL BENCH – I, CHENNAI**

CP/87/IB/CB/2022 filed under Section 9 of the
Insolvency and Bankruptcy Code, 2016 r/w Rule 6
of the Insolvency and Bankruptcy (Application to
Adjudicating Authority) Rules, 2016

In the matter of *Soundararaja Mills Ltd*

Sitalakshmi Mills,
Represented by its Partner, Mr. N.Vikas,
New No. 62-A, (Old No. 71-73),
D.P.F Street, Ramasamy Layout,
P N Palayam,
Coimbatore – 641 037.

... *Operational Creditor*

-Vs-

Soundararaja Mills Ltd,
G.T.N.Salai,
Dindigul – 624 005.

... *Corporate Debtor*

Order pronounced on 26 August, 2022

CORAM :

**JUSTICE RAMALINGAM SUDHAKAR, HON'BLE PRESIDENT
SAMEER KAKAR, MEMBER (TECHNICAL)**

For Operational Creditor : Mr. Manjunath Karthikeyan, Counsel
For Corporate Debtor : Mr. R.Swarnavel, Counsel

ORDER

Per: SAMEER KAKAR, MEMBER (TECHNICAL)

CP/IB/87/2022 has been filed by Sitalakshmi Mills (*hereinafter referred to as the 'Operational Creditor'*) under Section 9 of the Insolvency & Bankruptcy Code, 2016 r/w Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 against Soundararaja Mills (*hereinafter referred to as the 'Corporate*



Debtor) for initiation of Corporate Insolvency Resolution Process (CIRP), declare moratorium and appoint the IRP.

2. Part – I of the Application discloses the Applicant is a partnership firm and address of the Operational Creditor is at New No. 62-A (Old No. 71-73), D.P.F Street, Ramasamy Layout, P N Palayam, Coimbatore – 641 037.
3. Part – II of the Application discloses the Corporate Debtor's details i.e., CIN: U17111TZ1937PLC014821 and its registered office at G.T.N.Salai, Dindigul – 624 005.
4. Part – III of the Application discloses that the Operational Creditor had not proposed the name of the IRP and had left it to the discretion of this Tribunal.
5. Part – IV of the Application it is seen that the Operational Creditor had claimed a total amount of Rs.1,19,35,839.02/- which also includes principal and interest.
6. Ld. Counsel for the Operational Creditor submitted that the partnership firm is doing trading business of sale of Polyester Staple Fibre (PSF). The Corporate Debtor is engaged in manufacturing of Yarn using PSF as raw material. The Corporate Debtor has two units which are located in Dindigul and Karaikal.
7. The Operational Creditor has supplied the material to both the units. The Operational Creditor has supplied PSF under various invoices. The invoices also clearly show that on default of payment within time, interest at the rate of 18% would be charged on the Corporate Debtor. The account of the Operational Creditor with the Corporate Debtor is a running and continuous account.



8. It is further averred that the material aggregating to a sum of Rs.6,26,80,568/- was supplied. After deduction of a sum of Rs.4,26,433/- a sum of Rs.6,22,54,135/- was left to be recovered. Out of the above amount, the Corporate Debtor on various dates paid a sum of Rs.3,72,71,258/-. The balance of Rs.2,49,82,876/- remains unpaid.
9. Certain Yarn was also returned by the Corporate Debtor to the Operational Creditor being a balance of Rs.84,10,388.50/- as the principal amount. After applying interest thereon at the rate of 18%, the Operational Creditor claims a sum of Rs.1,19,35,839.02/- as due to the Operational Creditor.
10. The Demand Notice dated 25.01.2022 was issued under Section 8(1) of the Insolvency & Bankruptcy Code, 2016, the same was delivered to the Corporate Debtor on 31.01.2022. The copy of the demand notice and proof of service are attached with Annexure – 1(A) and Annexure – 1(B).
11. No reply was received by the Operational Creditor from the Corporate Debtor on the demand notice.
12. The Operational Creditor has filed its Affidavit at Annexure – IV regarding no dispute.
13. It is also stated that the ledger account statement and invoices that are due and payable were attached to the demand notice dated 25.01.2022.



14. A Reply in the matter was filed by the Corporate Debtor vide SR.No.4307 dated 14.07.2022. Under para 2 of the reply, the Corporate Debtor states that they have purchased PSF from the Operational Creditor for their textile units at Dindigul and Karaikal. The transactions between the parties started in some time in 2017 and for a long time they had smooth business transactions. The business of the Corporate Debtor was affected due to rough weather and during the Covid time.

15. The main arguments of the Ld. Counsel for the Corporate Debtor is that the minimum threshold limit as stipulated under Section 4 of the Insolvency & Bankruptcy Code, 2016 has not been breached / achieved in the present Application. It was further stated that there is no written agreement between the parties as to interest for delayed payment and there is not even a standard agreed upon credit period.

16. Under para -5 of the reply it is stated as under: -

"But the fact is that majority of invoices do not have even credit period at all. The "interest" portion in the invoices is just a formality simpliciter."

17. Under para – 8 of the reply the Corporate Debtor pleads that in the absence of any agreement between the parties as to the payment of interest, there is neither any meeting of minds of the parties in this aspect nor any acknowledgment as to payment of interest.

18. Heard both the parties.

19. From the averments in the pleadings and representations made across the bar, it is clear that there is no dispute as to the quality, quantity of the goods sold and



supplied. Both the sides agreed to the principal amount that is due. The question is regarding the interest and the due date of payment.

20. From page No.23 of the Applicant's typed set, it is clear that the Applicant has served the ledger account statement and copies of invoices on the Corporate Debtor vide demand notice dated 25.01.2022. The said notice was **never replied by the Corporate Debtor**. The amount appearing in the said notice is Rs.1,19,35,839.02/- which is the amount claimed in Section 9 petition filed by the Operational Creditor.

21. At Page No.70 of the typed set of the Application is the ledger account, which clearly shows that the principal amount outstanding is Rs.84,10,388.50 as on 06.09.2019 and the Invoices have been attached to the Application from page Nos.71 to 216.

22. In many of the invoices as are appearing at page Nos. 71, 75, 77, 79, 81, 96, etc., it is clearly mentioned that "mode / terms of payment". Further at the bottom of the invoices it is recorded "interest @ 18% if not paid within due date". A scanned copy of the invoice is appended below: -





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TAX INVOICE

 Sitalakshmi Mills Race Course Mansion, 2nd Floor, 8/1-M, Race Course, Near Thomas Park Bus Stop Coimbatore - 641018 GSTIN/UIN: 33ADIFS2612R1ZQ	Invoice No. SLMDIRECT0780	Dated 3-Jan-2018
	Delivery Note	Mode/Terms of Payment 4 Days
Consignee Soundararaja Mills Limited - A Mills S.R. Mills Road, Dindigul -624005 State Name : Tamil Nadu, Code : 33 GSTIN/UIN : 33AAACS8789R1ZA	Supplier's Ref. RV001002186	Other Reference(s)
Buyer (if other than consignee) Soundararaja Mills Limited - A Mills S.R. Mills Road, Dindigul -624005 State Name : Tamil Nadu, Code : 33 GSTIN/UIN : 33AAACS8789R1ZA	Buyer's Order No.	Dated
	G.R. No. & Date 97353, 3-Jan-2018	Delivery Note Date
	Despatched through Mahindra Logistics Ltd	Destination Dindigul
	Vessel/Flight No. TN28AC7277	Place of receipt by shipper:
	City/Port of Loading	City/Port of Discharge
	Bill of Lading/LR-RR No. 97353 dt. 3-Jan-2018	
	Terms of Delivery	

SI No.	Description of Goods	HSN/SAC	Quantity	Rate	per	Disc. %	Amount
1	PSF 1.0 x 40 MM SD 1st Merge :WG000C4033 Bales :17 Basic Price Rs:90.00 Per Kg Less: Discount Rs:2.00 Per Kg Net Rate Rs:88.00 Per Kg	5503	7,172.200 Kgs	88.00	Kgs		6,31,154.00
	C.G.S.T. @ 09.00 %					9 %	56,804.00
	S.G.S.T. @ 09.00 %					9 %	56,804.00
Total			7,172.200 Kgs				Rs. 7,44,762.00

Amount Chargeable (in words)
Indian Rupees Seven Lakh Forty Four Thousand Seven Hundred Sixty Two Only

HSN/SAC	Taxable Value	Central Tax Rate	Central Tax Amount	State Tax Rate	State Tax Amount	Total Tax Amount
5503	6,31,154.00	9%	56,804.00	9%	56,804.00	1,13,608.00
Total	6,31,154.00		56,804.00		56,804.00	1,13,608.00

Tax Amount (in words) : **Indian Rupees One Lakh Thirteen Thousand Six Hundred Eight Only**

Company's PAN : ADIFS 2612 R

Company's Bank Details
Bank Name : The Federal Bank Ltd.
A/c No. : 11770200081300
Branch & IFS Code : Erode & FDRL0004177

Declaration
We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct. NO CASH PAYMENT. PAY THROUGH CHEQUE/DD/NEFT/RTGS ONLY. Interest @ 18% if not paid within Due Date.

Prepared by: *[Signature]* for Sitalakshmi Mills
Verified by: *[Signature]*
Authorized Signatory: *[Signature]*

SUBJECT TO COIMBATORE JURISDICTION
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TAX INVOICE

 Sitalakshmi Mills Race Course Mansion, 2nd Floor, 8/1-M, Race Course, Near Thomas Park Bus Stop Coimbatore - 641018 GSTIN/UIN: 33ADIFS2612R1ZQ	Invoice No. SLMDIRECT0798	Dated 9-Jan-2018
	Delivery Note	Mode/Terms of Payment 4 Day
Consignee Sundararaja Mills Limited - A Mills S.R. Mills Road, Dindigul -624005 State Name : Tamil Nadu, Code : 33 GSTIN/UIN : 33AAACS8799R1ZA	Supplier's Ref. RV0010106777	Buyer's Order No.
Buyer (if other than consignee) Sundararaja Mills Limited - A Mills S.R. Mills Road, Dindigul -624005 State Name : Tamil Nadu, Code : 33 GSTIN/UIN : 33AAACS8799R1ZA	G.R. No. & Date 973667, 9-Jan-2018	Delivery Note Date
	Despatched through Mahindra Logistics Ltd	Destination Dindigul
	Vessel/Fight No. TN28AA7939	Place of receipt by shipper
	City/Port of Loading	City/Port of Discharge
Terms of Delivery		

Sl. No.	Description of Goods	HSN/SAC	Quantity	Rate	per	Disc. %	Amount
1	PSF 0.8 X 38 MM SD 1st Merge : WG000A3833 Bales : 12 Basic Price Rs:95.75 Per Kg Less:Discount Rs:2.00 Per Kg Net Rate Rs: 93.75,Per Kg	5503	4,987,600 Kgs	93.75	Kgs		4,67,588.00
	C.G.S.T. @ 09.00 %				9 %		42,083.00
	S.G.S.T. @ 09.00 %				9 %		42,083.00
	Total		4,987,600 Kgs				Rs. 5,51,754.00

Amount Chargeable (in words) **Indian Rupees Five Lakh Fifty One Thousand Seven Hundred Fifty Four Only** E & O.E

HSN/SAC	Taxable Value	Central Tax		State Tax		Total Tax Amount
		Rate	Amount	Rate	Amount	
5503	4,67,588.00	8%	42,083.00	9%	42,083.00	84,166.00
Total	4,67,588.00		42,083.00		42,083.00	84,166.00

Tax Amount (in words) : **Indian Rupees Eighty Four Thousand One Hundred Sixty Six Only**

Company's PAN : ADIFS 2612 R


Company's Bank Details
 Bank Name : The Federal Bank Ltd.
 A/c No. : 11770200081300
 Branch & IFS Code : Erode & FDRL0001177

Declaration
 We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct. NO CASH PAYMENT. PAY THROUGH CHEQUE/DD/NEFT/RTGS ONLY. Interest @ 18% if not paid within Due Date.

Prepared by *M. B. S.* Verified by *[Signature]* Authorized Signatory *[Signature]* For Sitalakshmi Mills

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TAX INVOICE

 Sitalakshmi Mills Race Course Mansion, 2nd Floor, 8/1-M, Race Course, Near Thomas Park Bus Stop Coimbatore - 641018 GSTIN/UIN: 33ADIFS2612R1ZQ	Invoice No.	Dated
	SLMDIRECT0799	9-Jan-2018
Consignee Soundararaja Mills Limited - A Mills S.R. Mills Road, Dindigul -624005 State Name : Tamil Nadu, Code : 33 GSTIN/UIN : 33AAACS8799R1ZA	Delivery Note	Mode/Terms of Payment
		4 Days
Buyer (if other than consignee) Soundararaja Mills Limited - A Mills S.R. Mills Road, Dindigul -624005 State Name : Tamil Nadu, Code : 33 GSTIN/UIN : 33AAACS8799R1ZA	Supplier's Ref.	Other Reference(s)
	RV0010106778	
	Buyer's Order No.	Dated
	G.R. No. & Date	Delivery Note Date
	973667, 9-Jan-2018	
	Despatched through	Destination
	Mahindra Logistics Ltd	Dindigul
	Vessel/Flight No.	Place of receipt by shipper:
	TN28AA7939	
	City/Port of Loading	City/Port of Discharge
	Terms of Delivery	

SI No.	Description of Goods	HSN/SAC	Quantity	Rate	per	Disc. %	Amount
1	PSF 0.8 X 38 MM SD 1st Merge: WG000A3833 Bales :12 Basic Price Rs:95.75 Per Kg. Less:Discount Rs:2.00 Per Kg Net Rate Rs :93.75 Per Kg	5503	5,105,000 Kgs	93.75	Kgs		4,78,594.00
	C.G.S.T. @ 09.00 %					9 %	43,073.00
	S.G.S.T. @ 09.00 %					9 %	43,073.00
	Write-Off/Write-Back/Round-Off						1.00
	Total		5,105,000 Kgs				Rs. 5,64,741.00

Amount Chargeable (in words)
Indian Rupees Five Lakh Sixty Four Thousand Seven Hundred Forty One Only

HSN/SAC	Taxable Value	Central Tax		State Tax		Total Tax Amount
		Rate	Amount	Rate	Amount	
5503	4,78,594.00	9%	43,073.00	9%	43,073.00	86,146.00
Total	4,78,594.00		43,073.00		43,073.00	86,146.00

Tax Amount (in words) : **Indian Rupees Eighty Six Thousand One Hundred Forty Six Only**

Company's PAN : ADIFS 2612 R	Company's Bank Details
	Bank Name : The Federal Bank Ltd.
	A/c No. : 11770200081300
	Branch & IFS Code : Erode & FDRL0001177
Declaration We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct. NO CASH PAYMENT. PAY THROUGH CHEQUE/DD/NEFT/RTGS ONLY. Interest @ 18% if not paid within Due Date.	Prepared by _____ Verified by _____ Authorized Signatory _____ for Sitalakshmi Mills

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TAX INVOICE




 Sitalakshmi Mills Race Course Mansion, 2nd Floor, 8/1-M, Race Course, Near Thomas Park Bus Stop Coimbatore - 641018 GSTIN/UIN: 33ADIFS2612R1ZQ	Invoice No. SLMDIRECT0831	Dated 14-Jan-2018
	Delivery Note	Mode/Terms of Payment 4 Days
Consignee Soundararaja Mills Limited - A Mills S.R. Mills Road, Dindigul -624005 State Name : Tamil Nadu, Code : 33 GSTIN/UIN : 33AAACS8799R1ZA	Supplier's Ref. RV0010110583	Other Reference(s)
	Buyer's Order No.	Dated
Buyer (if other than consignee) Soundararaja Mills Limited - A Mills S.R. Mills Road, Dindigul -624005 State Name : Tamil Nadu, Code : 33 GSTIN/UIN : 33AAACS8799R1ZA	G.R. No. & Date 250433, 14-Jan-2018	Delivery Note Date
	Despatched through Embee Road Service Pvt Ltd	Destination Dindigul
	Vessel/Flight No. TN28AH1321	Place of receipt by shipper:
	City/Port of Loading	City/Port of Discharge
Terms of Delivery		

SI No.	Description of Goods	HSN/SAC	Quantity	Rate	per	Disc. %	Amount
1	PSF 1.0 x 40 MM SD CLQ Merge : WG000C1030 Boles : 15 Basic Price Rs:83.00 Per Kg Less:Discount Rs:2.00 Per Kg Net Rate Rs:81.00 Per Kg C.G.S.T. @ 09.00 % S.G.S.T. @ 09.00 % Less: Write-Off/Write-Back/Round-Off	5503	5,904.200 Kgs	81.00	Kgs		4,78,241.00
						9 %	43,042.00
						9 %	43,042.00
							(-)-1.00
Total			5,904.200 Kgs				Rs. 5,64,324.00

Amount Chargeable (in words) **Indian Rupees Five Lakh Sixty Four Thousand Three Hundred Twenty Four Only** E. & O.E

HSN/SAC	Taxable Value	Central Tax		State Tax		Total Tax Amount
		Rate	Amount	Rate	Amount	
5503	4,78,241.00	9%	43,042.00	9%	43,042.00	86,084.00
Total	4,78,241.00		43,042.00		43,042.00	86,084.00

Tax Amount (in words) : **Indian Rupees Eighty Six Thousand Eighty Four Only**

Company's PAN : ADIFS 2612 R	Company's Bank Details Bank Name : The Federal Bank Ltd. A/c No. : 11770200081300 Branch & IFS Code : Erode & FDRL0001177
Declaration We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct. NO CASH PAYMENT. PAY THROUGH CHEQUE/DD/NEFT/RTGS ONLY. Interest @ 18% if not paid within Due Date.	Prepared by  Verified by  Authorized Signatory  for Sitalakshmi Mills

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TAX INVOICE

Sitalakshmi Mills Race Course Mansion, 2nd Floor, 8/1-M, Race Course, Near Thomas Park Bus Stop Coimbatore - 641018 GSTIN/UIN: 33ADIFS2612R1ZQ State Name : Tamil Nadu, Code : 33	Invoice No. SLMDIRECT0898	Dated 2-Feb-2018
	Delivery Note	Mode/Terms of Payment 4 Days
Consignee Soundararaja Mills Limited - A Mills S.R. Mills Road Dindigul -624005 GSTIN/UIN : 33AAACS8799R1ZA State Name : Tamil Nadu, Code : 33	Supplier's Ref. RV0010123551	Other Reference(s)
	Buyer's Order No.	Dated
Buyer (if other than consignee) Soundararaja Mills Limited - A Mills S.R. Mills Road Dindigul -624005 GSTIN/UIN : 33AAACS8799R1ZA State Name : Tamil Nadu, Code : 33	G.R. No. & Date 97395, 2-Feb-2018	Delivery Note Date
	Despatched through Mahindra Logistics Ltd	Destination Dindigul
	Vessel/Flight No. TN29AT8157	Place of receipt by shipper:
	City/Port of Loading	City/Port of Discharge
Terms of Delivery		

Sl No.	Description of Goods	HSN/SAC	Quantity	Rate	per	Disc. %	Amount
1	PSF 1.2 X 44 MM SD CLQ Marge :WG000E4430 Balns :4 Basic Price Rs:86.00 Per Kg Less:Discount Rs:2.00 Per Kg Net Rate Rs :84.00 Per Kg	5503	1,712,600 Kgs	84.00	Kgs		1,43,859.00
	C.G.S.T. @ 09.00 % S.G.S.T. @ 09.00 % Write-Off/Write-Back/Round-Off					9 % 9 %	12,947.00 12,947.00 1.00
Total			1,712,600 Kgs				Rs. 1,69,754.00

Amount Chargeable (in words) **Indian Rupees One Lakh Sixty Nine Thousand Seven Hundred Fifty Four Only** E. & O.E

HSN/SAC	Taxable Value	Central Tax		State Tax		Total Tax Amount
		Rate	Amount	Rate	Amount	
5503	1,43,859.00	9%	12,947.00	9%	12,947.00	25,894.00
Total	1,43,859.00		12,947.00		12,947.00	25,894.00

Tax Amount (in words) : **Indian Rupees Twenty Five Thousand Eight Hundred Ninety Four Only**

Company's PAN : ADIFS 2612 R	Company's Bank Details Bank Name : The Federal Bank Ltd. A/c No. : 11770200081300 Branch & IFS Code : Erode & FDRL0001177
Declaration We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct. NO CASH PAYMENT. PAY THROUGH CHEQUE/DD/NEFT/RTGS ONLY. Interest @ 18% if not paid within Due Date.	Prepared by <i>M.D. K</i> Verified by <i>Qasim</i> Authorized Signatory <i>RX</i> for Sitalakshmi Mills


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23. A perusal of the above documents it is clear that parties had agreed as to the terms of payment and the rate of interest as is recorded in the invoices for sale of good sold & delivered.
24. In this case the date of default is much before the applicability of Section 10A. In any event, as agreed upon by the parties on terms of payment of interest the Application does cross the threshold of Rs.1 crore specified in Section 4 of IBC.
25. Thus, taking into consideration the facts and circumstances of the case as well as the position of Law, we are of the view that the Petition filed by the Operational Creditor is required to be **admitted** under Section 9(5) of the IBC, 2016. In the result the Application is admitted in terms of Section 9 (5) of the Code, the moratorium as envisaged under the 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 respondent including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
 - b. Transferring, encumbering, alienating or disposing of by the respondent 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 respondent 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 respondent.

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;

26. 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 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 arrangement 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.

27. 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.

28. Since the Operational Creditor has not named the Insolvency Resolution Professional, this Tribunal based on the latest list furnished by Insolvency and Bankruptcy Board of applicable for the period between July 2022 – December 2022 appoints **Mr. Mutharasapuram Ganesan Chandrasekaran, IBBI/IPA-003/IP-N00337/2021-2022/13620; email ID: sekaranirp@gmail.com** as the “Interim Resolution Professional” subject to the condition that no disciplinary proceedings are pending against such an Interim Resolution Professional named and disclosures as required under IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 are made within a period of one week from the date of this order.
29. The IRP is directed to take charge of the Corporate Debtor’s management immediately. The IRP is also directed to cause public announcement as prescribed under Section 15 of the IBC, 2016 within three days from the date the copy of this Order is received, and call for submissions of claim by the creditors in the manner as prescribed under Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
30. 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 IBC, 2016 and file his report within 30 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 CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.
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31. The IRP shall comply with the provisions of Sections 13 (2), 15, 17 & 18 of the Code. The Directors of the Corporate Debtor, its Promoters or any person associated with the management of the Corporate Debtor are/is directed to extend all assistance and cooperation to the IRP as stipulated under Section 19 of IBC, 2016 for the purpose of discharging his functions under Section 20 of IBC, 2016.
32. The IRP shall conduct the Corporate Insolvency Resolution Process in respect of the Corporate Debtor as stipulated under Chapter VIII of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
33. The Operational Creditor is directed to pay a sum of **Rs.2,00,000/-** (*Rupees Two Lakhs Only*) to the Interim Resolution Professional upon the Interim Resolution Professional 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 in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
34. Based on the above terms, the Application stands **admitted** in terms of Section 9(5) of IBC, 2016 and the moratorium shall come in to effect as of this date. A copy of the Order shall be communicated to the Operational Creditor 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 Interim Resolution Professional above named who is figuring in the list of Resolution Professionals forwarded by IBBI be also furnished with 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.

35. The IRP is directed to file the 1st Progress Report before this Tribunal on or before the 45th day of initiation of CIRP by this Adjudicating Authority.

36. Post this **CP/87/IB/CB/2022** for hearing on **10.10.2022**.

-Sd-

(SAMEER KAKAR)
MEMBER (TECHNICAL)

-Sd-

(JUSTICE RAMALINGAM SUDHAKAR)
PRESIDENT