



IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI COURT – VI

ITEM NO. 4
IB-73/PB/2023

IN THE MATTER OF:

**M/s. Virtual Business Solutions Pvt. Ltd. V/s. M/s. Dev Versha
Publication Pvt. Ltd.**

Order under Section 7 of Insolvency and Bankruptcy Code, 2016

Order delivered on 26.09.2023

CORAM:

**SHRI BACHU VENKAT BALARAM DAS,
HON'BLE MEMBER (JUDICIAL)
SHRI RAHUL BHATNAGAR,
HON'BLE MEMBER (TECHNICAL)**

ORDER

Order pronounced in open Court vide separate sheets.

CP (IB) 73/PB/2023 stands allowed.

SD/-
(Rahul Bhatnagar)
Member Technical

SD/-
(Bachu Venkat Balaram Das)
Member Judicial



**IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI
BENCH-VI**

IB-73/(PB)/2023

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

In the matter of:

VIRTUAL BUSINESS SOLUTION PRIVATE LIMITED

REGISTERED OFFICE AT: -

5/6, S/ F, West Patel Nagar,

NEW Delhi-110008

...PETITIONER/FINANCIAL CREDITOR

Versus

DEV VERSHA PUBLICATION LIMITED

REGISTERED OFFICE AT:

Property no.3, Block-D, Municipal no. XIV/ 11163,

New Rohtak Road, Karol Bagh, New Delhi-110005

...RESPONDENT/ CORPORATE DEBTOR



CORAM:

SHRI. BACHU VENKAT BALARAM DAS, MEMBER

(JUDICIAL)

SHRI. RAHUL BHATNAGAR, MEMBER (TECHNICAL)

Counsel for Petitioner: :Mr. Deepak Garg, Adv.

Counsel for Respondent: :Mr. Sunil Choudhary, Adv.

ORDER

PER: RAHUL BHATNAGAR, MEMBER (TECHNICAL)

Date: 26.09.2023

1. This petition has been filed by M/s Virtual Business Solution Private Limited, through Authorised Signatory of Financial Creditor, Mr. Paras Shah, Director of the Company, duly authorised vide Board Resolution dated 17.12.2022 to initiate Corporate Insolvency Resolution Process (“CIRP”) against M/s. Dev Versha Publication Limited under Section 7 of the Insolvency and Bankruptcy Code 2016 (hereinafter referred to as “the




Code”) for the alleged default on the part of the Respondent in repayment of debt of Rs. 1,42,02,575/- (Rupees One Crore Fourty Two Lakhs Two Thousand Five Hundred and Seventy-Five). The details of transactions leading to the filing of this application as averred by the Applicant are as follows:

- i. That Corporate Debtor through its Director approached the Financial Creditor and requested to provide business loan of Rs. 1,35,00,000/-.
- ii. The Financial Creditor considered the request made by Corporate Debtor and disbursed the business loan of Rs. 1,35,00,000/- on various dates.
- iii. The Corporate Debtor and Financial Creditor executed Loan Agreement on 15th July, 2022 by which Corporate Debtor and Financial Creditor decided the Terms and Conditions



- iv. That as per Clause 2 of the Loan Agreement relating to disbursal, loan was disbursed from 20.07.2022 to 03.08.2022 at 12% per annum
- v. As per Clause 3 of the Loan Agreement under the head of Repayment schedule, Corporate Debtor was liable to pay principal along with interest amount on or before 04.11.2022 to the Financial Creditor, which Corporate Debtor failed to do.
- vi. That due to default in payment by the Corporate Debtor, Financial Creditor served reminder letter to Corporate Debtor on 07.11.2022 to make the payment. In reply to the Letter dated 07.11.2022, Corporate Debtor replied vide their letter dated 15.11.2022 showed their positive intent to repay the principal with interest. The Financial Creditor accepted the request vide their letter dated 21.11.2022 and extended time till 30th November, 2022.




vii. Further due to non-repayment till 30.11.2022, the Financial Creditor sent an email dated 14.12.2022 to repay the principal with interest immediately failing which legal action will be initiated against the corporate debtor.

viii. That even after various reminders in the form of letters and emails, the Corporate Debtor failed to make the payment of Loan and interest. Hence the present petition is filed to initiate CIRP against the Corporate Debtor.

2. The Corporate Debtor filed its reply in which the following contentions were made:

- i. That the Corporate Creditor misused the document allegedly claimed by it signed by the director of the corporate debtor. The said document itself suggest that it has been manufactured by the corporate creditor with a view to file the present false and frivolous petition against the Corporate Debtor.
- ii. It is further submitted that the due to the pandemic Covid-19, the corporate debtor could not



make the payment of the amount to the Corporate Creditor.

- iii. That the falsity of the claim of the corporate creditor is apparent from the fact that the amount allegedly mentioned to be paid to the corporate debtor is not matching with the credit entries in the account of the corporate debtor.
 - iv. That the Corporate Debtor has various other transactions with the corporate creditor and the corporate creditor taking advantage of the same is allegedly claiming the amount paid by it as loan.
3. We have gone through the documents filed by both the parties and heard the arguments made by the counsels. The applicant has claimed the default on part of the Respondent for the Loan amount of Rs. 1,42,02,575/-.
 4. Section 5(7) of IBC, 2016 defines Financial Creditor as “any person to whom a financial debt is owed and includes a person to whom such debt has been legally assigned or transferred to.”



5. As per loan agreement dated 15.07.2022 executed between Financial Creditor and Corporate Debtor, the Financial Creditor has provided loan amount of Rs. 1,35,00,000 to the Corporate Debtor. The Petitioner has also annexed bank statements to show disbursement of Debt.
6. The Corporate Debtor, in its reply, has stated that due to the Covid-19 pandemic, the Corporate Debtor could not make the payment.
7. A mere reading of the provision under Section 7 of the IBC shows that in order to initiate CIRP under Section 7, the Applicant is required to establish that there is a financial debt and that a default has been committed in respect of that financial debt. The Code requires the adjudicating authority to only ascertain and record satisfaction in a summary adjudication regarding the occurrence of default before admitting the application. The material on record clearly shows that there was a debt, and the CD has committed a default in the



repayment of the outstanding loan amount which was admitted by the Corporate Debtor.

8. We are satisfied that the present application is complete in all respects and the applicant financial creditor is entitled to claim its outstanding financial debt from the corporate debtor and that there has been default in payment of the financial debt.
9. In light of the above and in terms of the acceptance of the existence of debt and its default by the Corporate Debtor in its reply to the present application, this Tribunal **admits** this petition and initiates CIRP on the Corporate Debtor with immediate effect.
10. Sub-section (3) (b) of Section 7 mandates the Financial Creditor to furnish the name of an Interim Resolution Professional. In compliance thereof the applicant has proposed the name of Mr. Pradeep Kumar Ray for appointment as Interim Resolution Professional having registration number IBBI/IPA-002/IP-N01100/2021-2022/13648. The Proposed IP has a valid AFA which is



valid upto 25.04.2024. Accordingly, this Adjudicating Authority, hereby appoints Mr. Pradeep Kumar Ray (Email – pkrayip@gmail.com), to act as Interim Resolution professional. He shall take such other and further steps as are required under the statute, more specifically in terms of Section 15, 17 and 18 of the Code and file his report within 30 days before this Bench.

11. In pursuance of Section 13 (2) of the Code, we direct that public announcement shall be made by the Interim Resolution Professional immediately (3 days as prescribed by Explanation to Regulation 6(1) of the IBBI Regulations, 2016) with regard to admission of this application under Section 7 of the Insolvency & Bankruptcy Code, 2016.

12. We also declare moratorium in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flows from the provisions of Section 14 (1) (a), (b), (c) & (d) of the Code. Thus, the following prohibitions are imposed:



“(a) the institution of suits or continuation of pending suits or proceedings against the corporate debtor 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 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.”



13.It is made clear that the provisions of moratorium shall not apply to transactions which might be notified by the Central Government or the supply of the essential goods or services to the Corporate Debtor as may be specified, are not to be terminated or suspended or interrupted during the moratorium period. In addition, as per the Insolvency and Bankruptcy Code (Amendment) Act, 2018 which has come into force w.e.f. 06.06.2018, the provisions of moratorium shall not apply to the surety in a contract of guarantee to the corporate debtor in terms of Section 14 (3) (b) of the Code.

14.The Interim Resolution Professional shall perform all his functions contemplated, inter-alia, by Sections 15, 17, 18, 19, 20 & 21 of the Code and transact proceedings with utmost dedication, honesty and strictly in accordance with the provisions of the Code, Rules and Regulations. It is further made clear that all the personnel connected with the Corporate Debtor, its promoters or any other person associated with the



Management of the Corporate Debtor are under legal obligation under Section 19 of the Code to extend every assistance and cooperation to the Interim Resolution Professional as may be required by him in managing the day to day affairs of the 'Corporate Debtor'. In case there is any violation committed by the ex-management or any preferential/ undervalued/ tainted/illegal transaction by ex-directors or anyone else, the Interim Resolution Professional shall make an application to this Adjudicating Authority (Tribunal) with a prayer for passing an appropriate order. The Interim Resolution Professional shall be under duty to protect and preserve the value of the property of the 'Corporate Debtor' as a part of its obligation imposed by Section 20 of the Code and perform all his functions strictly in accordance with the provisions of the Code, Rules and Regulations.

15.The office is directed to communicate a copy of the order to the Financial Creditor, the Corporate Debtor, the Interim Resolution Professional and the Registrar of



Companies, NCT of Delhi & Haryana at the earliest possible but not later than seven days from today. The Registrar of Companies shall update its website by updating the status of 'Corporate Debtor' and specific mention regarding admission of this petition must be notified to the public at large.

Let copy of the order be served to the parties.

SD/-
Rahul Bhatnagar)
Member (Technical)

SD/-
(Bachu Venkat Balaram Das)
Member (Judicial)