



**IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI, COURT - IV**

CP No.: IB 595(ND)/2023 & IA 1285(ND)/2024

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

**IN THE MATTER OF:
CANARA BANK**

...Financial Creditor / Applicant

VERSUS

M/s GOODLUCK CARBON PRIVATE LIMITED

...Corporate Debtor / Respondent

Pronounced on: 18.10.2024

CORAM:

**SHRI MANNI SANKARIAH SHANMUGA SUNDARAM, HON'BLE
MEMBER (JUDICIAL)**

DR. SANJEEV RANJAN, HON'BLE MEMBER (TECHNICAL)

Present:

For Applicant : Adv. Abhishek Naik, Adv. Gulafsha Kureshi, Adv.
Tanya Raizada, Adv. Mojahid Karim Khan

For Respondent : Adv. Sumesh Dhawan, Adv. Vatsala Kak, Adv.
Ankita Bajpai and Adv. Shaurya Shyam

ORDER

PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)

1. This Petition is filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 by Canara Bank ("**Applicant**"), seeking to initiate Corporate



Insolvency Resolution Process (“**CIRP**”) against M/s Goodluck Carbon Private Limited [CIN: U11100DL1993PTC056708] (“**Corporate Debtor**”).

2. The Corporate Debtor was incorporated on 31.12.1993, under the Companies Act, 1956. Its registered office is at D-54 A, 2nd floor 100 Feet Road, Chattarpur Enclave, South Delhi, Delhi, India, 110074. Therefore, this Bench has jurisdiction to deal with this petition.
3. The present petition was registered on 04.10.2023 with this Adjudicating Authority on the ground that the Corporate Debtor had defaulted in the payment of a total sum of Rs. **90,43,74,091.45/-** (Rupees Ninety Crores Forty-Three Lakhs Seventy-Four Thousand Ninety One and Forty Five Paise Only), inclusive of interest. The Corporate Debtor is engaged in the business of manufacturing of carbon black which is primarily used in Rubber Industry.
4. The Learned Counsel for the Petitioner has putforth the following submissions:
 - a. In June, 2013, for purpose of conducting their business, the Corporate Debtor had approached the Financial Creditor and requested for sanction of various credit facilities for its business. Based on the representation made by the Corporate Debtor, the Financial Creditor sanctioned various credit facilities i.e., Open Cash Credit (OCC) for Rs. 5,00,00,000/- (Rupees Five Crores Only) and Sub-limit of Rs.1,50,00,000/- (One Crore Fifty Lakh Only) of Book Debts in order to meet the working capital requirement and ILC (DA) limit of Rs.4,00,00,000/- (Four Crores Only) vide Sanction Letter dated 05.06.2013 issued in favour of the Corporate Debtor.



- b. Around September/ October, 2013, the Corporate Debtor had envisaged modernization/ expansion of the plant leading to enhancement in its production capacity and has estimated a project cost of Rs. 82,52,00,000/- (Rupees EightyTwo Crore Fifty Two Lakh Only) out of which Rs. 57,74,00,000/- (Rupees Fifty Seven Crores Seventy-Four Lakh only) was funded under Consortium Banking Agreement dated 10.03.2014 with Punjab National Bank as lead bank under the Consortium. Out of the said amount the Financial Creditor had contributed an amount of Rs. 15,00,00,000/ - (Fifteen Crores Only).
- c. Subsequently, the Corporate Debtor again approached the Financial Creditor and requested for renewal of various credit facilities. Accordingly, the Financial Creditor vide Sanction Letter dated 30.03.2015 enhanced the Corporate Debtor's credit facility to Rs.9,00,00,000/- (Rupees Nine Crores Only) along with the cancellation of NFB limit of Rs. 2,00,00,000/ - (Rupees Two Crores Only).
- d. As the project was running behind schedule the account of the Corporate Debtor came under stress and as such a Joint Lenders meeting was called on 10.08.2015 and a joint unit was formed comprising of all consortium members, who thereof made necessary inspection of the plant site of the Corporate Debtor, and observed that the new line of production related to the production of carbon black was not in operation and that the CO generation Plant of 6 MW was yet to be set up. Thereafter, the loan accounts of the Corporate Debtor was declared as Non-Performing Assets (NPA) on 30.09.2015 due to non-servicing of interest and instalment of Term Loan and non-regularizing of the OCC/OBDD account by the party.



- e. Subsequently, as no payment was forthcoming from the Corporate Debtor to the Financial Creditor along with other consortium member banks, Punjab National Bank (PNB), being the lead bank of the consortium issued a Demand Notice dated 20.06.2017 under Section 13(2) of SARFAESI Act, 2002, on behalf of all consortium members, against the Corporate Debtor seeking payment of due amount within sixty (60) days. Subsequently, as no payment was made by the Corporate Debtor, PNB issued Possession Notice dated 08.12.2017 and 11.12.2017 against the secured / collateral properties.
- f. Thereafter, the Financial Creditor vide Original Applications being OA No.492 / 2019 qua Car Loan and OA No.763 / 2019 qua Term Loan approached the Hon'ble Debt Recovery Tribunal - II, Delhi for enforcement of the securities.
- g. Meanwhile, the Corporate Debtor has tried to settle the matter by offering several One Time Settlement proposals to the Consortium. The last OTS was offered vide Letter dated 24.05.2023 by the Corporate Debtor for a total amount of Rs.39,50,00,000/- (Thirty-Nine Crores Fifty Lakh Only) but the same was dismissed by the consortium considering that the said amount was too low and hence, could not be accepted.
- h. As on 31.05.2023, the Corporate Debtor owes a financial debt of Rs.90,43,74,091.45/- (Rupees Ninety Crores Forty Three Lakhs Seventy Four Thousand Ninety One and Forty Five Paise Only) inclusive of interest to the Financial Creditor. However, even after repeated demand / request, the Corporate Debtor failed to make the re-payment of the disbursed loan and repeatedly assert that it is not in a capacity to pay the huge amount.



- i. It is further submitted that it is an undisputed fact that the Punjab National Bank was the lead bank of the Consortium and Inter se Agreements dated 05.08.2013, 10.03.2014, 01.03.2017 executed only amongst the member banks of the Consortium for operational reasons & convenience and the Corporate Debtor was not a signatory to the same, while granting credit facilities. The Inter se Agreements defines their rights and obligations thereof, which is clearly stated in Recital No.3 (Pg.106, 131, 194/Application) of all the Inter-se Agreements. Moreover, the Financial Creditor is seeking initiation of CIRP whereby an attempt to revive the distressed Corporate Debtor would be made alongside resolution of the debt(s) of all members bank of consortium as well as other creditor(s) of the Corporate Debtor.

5. The Learned Counsel for the Respondent does not deny the fact that the loan amount was disbursed by the Applicant Bank. However, the Ld. Counsel has putforth certain points on technical grounds in order to defend the Respondent's case. The same is as follows:
 - a. The Sanction letter dated 5th June 2013 (*Annexure A-8 to petition*) itself refers to consortium loan and that the share of Canara Bank being 16.67 % of Fund Based Working Capital limit and 100% of Non-Fund Based Working Capital limit is subject to approval by Lead Bank.
 - b. Consortium Agreement dated 5th August, 2013 , Inter-se Agreement dated 5th August, 2013, Term Loan Consortium Agreement dated 10th March, 2014, Inter-se Agreement dated 10th March, 2014, the Loan renewal cum enhancement letter dated 30th March, 2015, Working Capital Consortium Agreement dated 1st March , 2017, Inter-se Agreement dated 1st March , 2017, being documents placed on record by



the Applicant Bank leave no room for doubt that individual rights by the Applicant were made subject to the approval of and instructions from the Lead Bank, Punjab National Bank.

- c. Admittedly there is no approval or instruction from the Lead Bank to institute the present proceedings and thus the proceedings are completely unauthorised.
- d. Even the Demand Notice dated 20th June, 2017 relied upon by the Applicant is a notice under Section 13(2) of SARFAESI issued by the Lead Bank for and on behalf of all consortium lenders and indicates the adherence to the consortium funding and inter-se agreements and has also being the start point of limitation to initiate the insolvency proceedings by the Applicant Bank, and the Petition is therefore filed belatedly in 2023.
- e. Pertinently, the Lead Bank has taken a stand that OTS proposal of Corporate Debtor is under active consideration and on that ground the proceedings initiated by Lead Bank under SARFAESI have been kept pending and are not being pursued.
- f. Admittedly the Corporate Debtor and the members of the consortium led by Punjab National Bank entered into negotiations for a One Time Settlement ('OTS') and consequent to negotiations, an OTS proposal dated 24.05.2023 for the consortium debt was submitted by the Corporate Debtor. The lenders to the Corporate Debtor, including the Applicant, have been dealing with the Corporate Debtor since October, 2013 and have taken all steps and carried out acts, deeds and things as per the consortium agreement and have collectively taken all steps in



pursuance of the consortium agreement until the date of filing of these submissions, and it was therefore, not available to the Applicant to have filed the Petition and much less pursue the Petition.

- g. This proposal of OTS was discussed at Joint Lenders Meetings forming part of the consortium lenders of which the Applicant is a part, and all discussions and meetings of consortium lenders to discuss and negotiate the OTS held on 25-05-2013 and 11-10-2023 have been attended by the Applicant. The Corporate Debtor was asked to deposit the upfront payment towards the OTS offer as required by the consortium of lenders. On 8th August 2023, the Corporate Debtor had deposited Rs.1,97,50,000/- (5% of the proposed One Time Settlement amount), which as per instructions of the consortium lenders is being held by the Lead Consortium Bank-PNB, in an Escrow Bank Account / No Lien Account bearing No. 4997002200000047, Account Name 'Zonal SASTRA EMD Account' with its High Value Ludhiana Branch, for the benefit of all members of the Consortium of Lenders, including the Applicant.
- h. The present Company Petition under Section 7 of the Code was filed 58 days after submission of the OTS proposal by the Corporate Debtor on 24.5.2023 and after the aforementioned upfront amount had been deposited by the Corporate Debtor in Escrow Bank Account.
- i. The Financial Creditor's action is without the consent of other financial creditors of the Corporate Debtor, who are all members of a consortium lending and are required to act through its Lead Bank, Punjab National Bank (PNB). Furthermore, it is pertinent to state that the proceedings under IBC should be filed for the resolution of corporate debt and in pursuit of maximizing the value of assets, which is the intent of the



Corporate Debtor and four other financial creditors holding 80.48% share of the consortium of financial creditors, who all jointly share the securities in lieu of financial assistance on pari-passu basis.

6. We have heard the Learned Counsels appearing for Applicant and Respondent and perused the documents on records. We find that:

6.1 In adjudicating upon the matter at hand, it is observed that the Applicant extended credit facilities totaling Rs. 25,07,14,654.16/- (Rupees Twenty-Five Crores Seven Lakhs Fourteen Thousand Six Hundred Fifty-Four and Sixteen Paise) to the Corporate Debtor, contingent upon adherence to the repayment terms as stated in the respective Sanction Letters. While partial payments were tendered by the Respondent, it is undisputed that there is a default regarding the outstanding sum, with its repayment presently in arrears.

6.2 The Applicant had sanctioned three loan facilities to the Respondent. The details of which is as extracted below:

(in Rupees)

Facility /Loan Account Number	Principal Outstanding	Interest	Overdue Charges	Total
Facility-1(OD/OCC)	9,58,13,596.67	27,86,35,346.91	43,369.00	39,44,92,312.58
Facility-2 (Term Loan- Vehicle)	59,68,057.49	40,25,549.12	503.86	99,94,110.47
Facility-3(Term Loan)	14,89,33,000.00	35,09,53,408.81	1,259.65	49,98,87,668.46
Total	25,07,14,654.16	60,66,18,680.84	45,132.51	90,43,74,091.45



6.3 Out of these three facilities, Facility-1 was an overdraft facility granted to the Corporate Debtor, Facility-2 was towards a Vehicle Loan and Facility-3 was towards a term loan which was given to the Respondent by a Consortium of Banks. This consortium included 7 Banks in total out of which the Applicant was one of the Bank and Punjab National Bank was the lead Bank.

6.4 The first question arises is “Whether the present Petition is in limitation?” To answer this question we take note that the account of Respondent was declared as NPA on 30.09.2015. As such the limitation would have ordinarily expired on 30.09.2018. However, the Respondent and the Applicant, as part of Consortium, executed a Working Capital Consortium Agreement dated 01.03.2017 renewing the credit facilities for enabling the Corporate Debtor to revive and repay the debt(s), thereby extending the period of limitation for further period of three years i.e., till 01.03.2020. In the meantime, the Corporate Debtor submitted several OTS proposals dated 06.12.2019, 28.01.2020, 26.02.2021, 18.03.2021, 15.05.2021, 17.03.2021, 07.12.2022, 24.01.2023 and 06.05.2023 (*Pg.5 & Annexure – A4(Colly.) @ Pg.25- 33/Application*) whereby it acknowledged the debts it owed to the Consortium of banks including the Financial Creditor herein and proposed to repay the same under revised terms.

6.5 The Hon'ble Supreme Court in **Laxmi Pat Surana vs. Union Bank of India & Anr.** *Appeal No. 2734 of 2020* has held that if there is an acknowledgement of debt in writing within a limitation period, a fresh limitation period as per section 18 of Limitation Act commences



from the date of the acknowledgement of debt. The OTS proposals tendered by the Respondent amounts to acknowledgement of debt. Therefore, by no stretch of imagination, the application is barred by the law of limitation. The question on limitation is answered accordingly.

- 6.6 The Respondent has raised an objection that the Applicant Bank's initiation of the CIRP is unilateral and unauthorized, as it allegedly violates the inter-se agreement entered into by the consortium of banks, of which the Applicant Bank is a part. It is the contention of the Respondent that the Applicant Bank cannot proceed without the prior consent of the Lead Bank or other consortium banks, pursuant to the said inter-se agreement.
- 6.7 Having heard the arguments of the parties and perused the documents on record, we address the question of "Whether the inter-se agreement among the consortium banks can bar or limit the Applicant Bank's statutory right under Section 7 of the IBC to file the present application?".
- 6.8 This Hon'ble Tribunal refers to the decision of the Hon'ble National Company Law Appellate Tribunal (NCLAT) in **Asian Natural Resources (India) Limited Vs IDBI Bank Limited** [*Company Appeal (AT)(Ins.) No. 60 / 2017*], wherein it was held that an inter-se agreement between financial creditors cannot override the statutory right conferred upon a financial creditor under Section 7 of the IBC. The NCLAT has categorically held that such an agreement, even if existing between the creditors, is not binding on the Corporate Debtor, nor can it take away the right of an individual financial



creditor to file an insolvency application. The relevant portion of the judgment has been cited for reference:

“7. Apart from that the Inter se Agreement between different Banks is not binding in nature, the Corporate Debtors not being signatories cannot derive advantage of such Inter se Agreement. This apart, the financial creditors having right to file application under Section 7 of the I&B Code, individually or jointly on behalf of other financial creditors as quoted below, the Inter se Agreement between the financial creditors cannot override the said provision, nor can take away the right of any Financial Institution to file application under Section 7 of the I&B Code.”

6.9 Further, in the case of Oriental Bank of Commerce vs. M/s. Ruchi Global Pvt. Ltd. [Company Appeal (AT)(Ins.) No. 387 / 2019], the Hon’ble NCLAT reiterated the above-stated principle, establishing the position that the right of an individual financial creditor under the IBC prevails over any internal agreements or arrangements among the consortium of banks.

6.10 Additionally, in the case of **Amitabh Kumar Jha vs. Bank of India & Anr.** [Company Appeal (AT)(Ins.) No. 1392 of 2019], the NCLAT held that the Corporate Debtor cannot meddle with the internal arrangement and affairs of the creditors. The Corporate Debtor, not being a party to the inter-creditor agreements, cannot rely on such agreements to escape its liability. The judgment made it clear that the statutory right provided to a financial creditor under Section 7 of the IBC cannot be curtailed by contractual arrangements between creditors.

“9. Having heard learned counsel for the parties including the Intervenors, we find that existence of financial debt and its



default on the part of the 'Corporate Debtor' is not the issue in controversy as the same has admitted. The factum of the 'Corporate Debtor' having obtained financial facility from consortium of lenders including the 'Bank of India', the 'Financial Creditor' and default on the part of the 'Corporate Debtor' in discharging its liability do not form issue for consideration. It is also not in controversy that the financial debt in respect whereof the 'Financial Creditor' herein sought triggering of 'Corporate Insolvency Resolution Process' is payable both in law as also in fact. The 'Corporate Debtor' is merely banking upon the Financing Documents including CLA, STA and ICA to assail the impugned order notwithstanding the fact that neither the claim is barred by law nor do such Financing Documents clothe the 'Corporate Debtor' with a right to disentitle the 'Financial Creditor' from enforcing its claim, in its individual capacity, despite being a member of the consortium of lenders. It is queer that the 'Corporate Debtor' is making a vain bid to get out of the rigours of its liability in terms of loan documents sanctioning the loan and giving rise to contractual liability as against it on the basis of an 'Inter-Creditor Agreement', to which admittedly it is not a party. It would be a travesty of justice to raise a plea that since the Creditors has an inter se agreement in regard to enforcement of the liability of the debtor qua the Creditor, an individual Creditor should not be permitted to enforce its right arising under a contract in regard to discharge of liability for loan advanced by the Creditor which is otherwise payable in law and not barred by any legal framework including the law of limitation. What transpires among the Creditors in regard to 'Inter-Creditor Agreement' is a matter exclusively inter se the Creditors. The debtor has no locus to meddle with the internal arrangement and affairs of the Creditors in regard to their joint or individual interests, more so when in the instant case the Interveners who are the consortium of lenders have supported the action taken by the 'Bank of India' in triggering 'Corporate Insolvency Resolution Process'. None of the members of the consortium of lenders has taken exception to enforcement of individual rights



by the 'Bank of India' in regard to the financial debt payable to it and to the extent of its interest.

10. The statutory right across the ambit of Section 7 of the 'I&B Code' cannot be curtailed or made subservient to any 'Inter Creditor Agreement'. The contractual rights, unless recognised by the statute as a permissible mode, would not override the statutory mechanism and right created and enforceable under statute.

12. In view of the foregoing discussion, we are of the considered opinion that the issue raised in this appeal is devoid of merit. The Financing Documents do not in any manner curtail or limit the rights of the 'Financial Creditor'- 'Bank of India' in its individual capacity to enforce its rights against the 'Corporate Debtor' in regard to the financial debt which is payable in law and in fact and in respect whereof default as alleged is not disputed."

6.11 In light of the settled legal position and the judgments cited above, this Hon'ble Tribunal finds no merit in the Respondent's plea. The inter-se agreement between the consortium banks does not, and cannot, interfere with the statutory right of the Applicant Bank to independently initiate the CIRP under Section 7 of the IBC. Moreover, there is no evidence of any objection from the other consortium members regarding the Applicant Bank's action in filing the present application.

6.12 It is an undisputed fact that the Corporate Debtor has defaulted in re-payment of financial debt / loans advanced by the Financial Creditor. The Hon'ble Supreme Court as well as Hon'ble NCLAT has categorically held that while adjudicating an Insolvency Application under Section 7, IBC, the Adjudicating Authority has to only satisfy



itself about existence of financial debt and occurrence of default thereof by the Corporate Debtor and if the Application found in order then it must thereby be admitted. The Hon'ble Supreme Court recently in the matter of **M. Suresh Reddy vs. Canara Bank** [Civil Appeal No.7121 / 2022] had succinctly has reiterated the said dictum by referring to several landmark judges in this issue. Relevant Paras are reproduced herein below for the convenience of this Hon'ble Tribunal :

“10.Thus, once NCLT is satisfied that the default has occurred, there is hardly a discretion left with NCLT to refuse admission of the application under Section 7.....”

Thus, even the non-payment of a part of debt when it becomes due and payable will amount to default on the part of a Corporate Debtor. In such a case, an order of admission under Section 7 of the IB Code must follow. If the NCLT finds that there is a debt, but it has not become due and payable, the application under Section 7 can be rejected. Otherwise, there is no ground available to reject the application.”

6.13 Furthermore, the Financial Creditor alongwith the Insolvency Application has also filed the NeSL Report (*ANNEXURE-A7(Colly.) @ Pg.37-73 Application*) whereby the default committed by the Corporate Debtor in repayment of three credit facilities / term loans / car loan to the Financial Creditor stands proven as the same stands 'Authenticated' (*Pg.37, 50, 63 / Application*) in terms of provision of IBC. This further strengthens the case of the Applicant Bank.

6.14 This Adjudicating Authority recognizes that ample time and opportunities have been extended to the Corporate Debtor to



amicably settle the outstanding claim. However, despite these opportunities, all endeavors towards resolution have ultimately faltered. Time sensitivity lies at the heart of the Insolvency and Bankruptcy Code (IBC), and any further extension would contravene the fundamental objectives of the IBC, rendering its purpose ineffectual. Consequently, the plea of the Corporate Debtor that the proposed One Time Settlement (OTS) proposal is under consideration by the Consortium of Banks and hence the present application be dismissed, is untenable.

6.15 Considering the above-cited judgements and facts of the present case, we are of the considered view that the Applicant is a Financial Creditor holding Financial Debt which is in default of payment by the Corporate Debtor. Therefore, we are satisfied that there exists debt and default and the same is corroborated by the averments made within the application.

7. In light of the above facts and circumstances, it is ordered as follows: -

7.1 The Application bearing **IB-595(ND)/2023** filed by the Applicant/(FC), under section 7 of the Code read with Rule 4 of the Adjudicating Authority Rules for initiating CIRP against the Corporate Debtor is **admitted**.

7.2 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, Adjudicating Authority, 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.

(e) The IB Code 2016 also prohibits Suspension or termination of any license, permit, registration, quota, concession, clearances 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, 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, permit, registration, quota, concessions, clearances or a similar grant or right during the moratorium period.

7.3 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.

7.4 The Applicant has proposed the name of **Mr. Ashok Kumar Gulla** as the Interim Resolution Professional (“IRP”) having address: **RSBA**



Restructuring Advisors LLP, DLF Corporate Park, 4th Floor, ,DLF Corporate Park, 4th Floor, Tower 4B ,Garden Estate, DLF Phase 3, Sector 24, Gurgaon, Haryana, 122002. His Email id is ashok.gulla@rbsa.in . His registration number is **IBBI/IPA-003/IP-N00024/2017-2018/10174**. The Applicant has filed a copy of the consent issued by **Mr. Ashok Kumar Gulla** in Form 2 and Written Communication by proposed IRP, as per the requirement of Rule 9(l) of the Adjudicating Authority Rules along with the Certificate of Registration and Authorization for Assignment in Form B (*Attached to the Petition, Volume – I, as ‘Annexure – 3 colly’*). Further, on perusal of these annexures, we find that the attached AFA has already expired on 10.11.2023. However, the AFA of the proposed IRP on the IBBI appears to be valid upto 29.10.2024. Accordingly, **Mr. Ashok Kumar Gulla** is hereby directed to file a copy of the duly renewed AFA with this Adjudicating Authority within 3 days from the date of this order.

7.5 In pursuance of Section 13(2) of the Code, we direct the IRP to make a public announcement immediately with regard to the admission of this application under Section 7 of the Code. The expression immediately means within three days as clarified by Explanation to Regulation 6(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

7.6 During the CIRP period, the management of the Corporate Debtor shall vest in the IRP/RP, in terms of Section 17 of the IBC. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP within one week from the date of receipt of this order, in default of which



coercive steps will follow. There shall be no future opportunity given in this regard.

- 7.7 The IRP shall perform all his functions as contemplated, interalia, by Sections 17, 18, 20 & 21 of the Code. He is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever. He is also free to take police assistance and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.
- 7.8 The IRP or the RP, as the case may be shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- 7.9 The Financial Creditor shall deposit a sum of Rs 2,00,000/- (Rupees Two Lakh Only) with the IRP to meet the expense to perform the functions assigned to him in accordance with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The needful shall be done within one week from the date of receipt of this order by the Financial Creditor. The amount however be subject to adjustment by the Committee of Creditors, as accounted for by IRP and shall be paid back to the Financial Creditor.
- 7.10 In terms of Section 7(7) of the Code, the Registry is hereby directed to communicate a copy of the order to the Financial Creditor, the Corporate Debtor, the IRP and the Registrar of Companies, NCT of Delhi and Haryana, by Speed Post and by email, at the earliest but not later than seven days from today.



7.11 The Registrar of Companies shall update his website by updating the status of the Corporate Debtor and specific mention regarding admission of this petition must be notified.

7.12 The Registry is further directed to send a copy of this order to the Insolvency and Bankruptcy Board of India (“IBBI”) for their record.

7.13 A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Accordingly, the present petition bearing CP No. **IB 595 (ND)/2023** is **admitted**. No order as to cost.

7.14 **IA 1285(ND)/2024:**

This application is filed by the Corporate Debtor seeking the following relief:

“a. Allow the present application and dismiss the present company petition (IB) No. 595 of 2023 as being Non-Maintainable

b. Pass such orders as this Hon’ble Tribunal may deem fit and proper in the interest of Justice.”

However, in the light of the order passed in CP IB 595/2023 and for the reasons recorded above, this application has become infructuous.

Hence, **IA 1285(ND)/2024** stands **disposed of as infructuous**.

-sd-

(DR. SANJEEV RANJAN)
MEMBER (TECHNICAL)

-sd-

(MANNI SANKARIAH SHANMUGA SUNDARAM)
MEMBER (JUDICIAL)