

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

Company Petition No. (IB)-106(ND)/2022

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:

M/s. CFM ASSET RECONSTRUCTION PRIVATE LIMITED

.... Applicant/ Financial Creditor

VERSUS

M/s. NIKHIL FOOTWEARS PRIVATE LIMITED

.... Respondents/ Corporate Debtor

CORAM:

SH. P.S.N. PRASAD, HON'BLE MEMBER (JUDICIAL)

DR. BINOD KUMAR SINHA, HON'BLE MEMBER (TECHNICAL)

Order Delivered on: 28.02.2023

ORDER

PER: SH. P.S.N PRSDAD, HON'BLE MEMBER (JUDICIAL)

The instant company application is filed by M/s. CFM Asset Reconstruction Private Limited ('applicant'), a company incorporated under the Companies Act, 2013 and registered with Reserve Bank of India as a Securitization and asset reconstruction company pursuant to Sec 3 of SARFAESI Act, 2002, under Section 7 of the Insolvency and Bankruptcy Code, 2016 ('Code') read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, for initiating the Corporate Insolvency Resolution Process ('CIRP') against M/s. Nikhil Footwears Private Limited bearing CIN: U19201DL1987PTC026643 on the ground that the Corporate Debtor committed a default in payment of Rs.

1025,53,60,198.71/- (Rupees One Thousand Twenty-Five Crore Fifty-Three Lakh Sixty Thousand One Hundred Ninety-Eight and Seventy-One Paisa only).

2. The Corporate Debtor i.e., M/s. Nikhil Footwears Private Limited bearing CIN: U19201DL1987PTC026643 is incorporated on 09.01.1987 under the provisions of the Companies Act, 1956 having its registered office situated at 98, Shahzada Bagh, Industrial Area, Old Rohtak Road, Delhi - 110035. Since the registered office of the Corporate Debtor is in New Delhi, this Tribunal having territorial jurisdiction over the NCT of Delhi is the Adjudicating Authority in relation to the prayer for initiation of Corporate Insolvency Resolution Process in respect of respondent corporate debtor under sub-section (1) of Section 60 of the Code.
3. The averments made by the applicant in the application and argued by the Ld. Counsel for the applicant are summarized hereunder: -
 - a) The applicant submits that M/s. Action Ispat & Power Pvt. Ltd. ('Principal Borrower') had availed various credit facilities from the consortium of banks including State Bank of India ("SBI") and other banks from 5th February 2007 to 2012 and M/s. Nikhil Footwear Private Limited ("Corporate Debtor") is one of the guarantors of the financial facilities availed by the Principal Borrower.
 - b) The applicant submits that around 2013, the Principal Borrower was unable to repay its debts and owing to the request of the Borrower, a Master Restructuring Agreement was entered on 30 September 2013. The applicant further submits that Corporate Debtor being a Guarantor had executed a Deed of Guarantee in favor of SBICAP Trustee Company Limited being the security trustee for the benefit of all the lenders.
 - c) The Applicant further submits that on 12.06,2015, a Second Supplemental and Amendatory Master Restructuring Agreement was executed between the Borrower, SBI and Lenders and Supplemental and Amendatory Deed of Guarantee to Deed of Guarantee was executed by M/s. Nikhil Footwears Private Limited ('Corporate Debtor') and other guarantors for guaranting the due repayment of the restructured loans to the Banks.

- d) The applicant submits that despite various opportunities being given to repay the debts, the Principal Borrower continued to default on its obligations to repay the outstanding amount and on 31.03.2017, the account of the Principal Borrower was classified Non-Performing Assets with effect from 31 March 2013, in accordance with the directives/guidelines relating to asset classifications issued by the RBI consequent to the default committed by Borrower and its Guarantors (which Included Corporate Debtor) in repayment of principal debt and interest thereto.
- e) The applicant further submits that SBI had issued demand notice upon borrower and its guarantors (including Corporate Debtor) calling upon them to repay the outstanding amount of Rs. 672,04,53,823.33/- as on 31 July 2017 and no reply to the said notice was received either on behalf of the Borrower or its guarantors.
- f) The applicant submits that SBI had issued a notice on 20.09.2017 under Section 13(2) of the SARFAESI Act, 2002 for an amount of Rs. 672,04,53,823.33 recalling the outstanding facilities and filed Application before the Debt Recovery Tribunal, New Delhi under Section 19 of the Recovery of Debts and Bankruptcy Act, 1993 against the Borrower and its Guarantors, including Corporate Debtor being O.A. 189 of 2018. The applicant further submits that guarantors of the Principal Borrower including the Corporate Debtor had filed their Written Statement to O.A. 189 of 2018 along with their Counter Claim on 14.03.2019.
- g) The applicant submits that SBI and the Applicant had executed an Assignment Agreement dated 18 January 2021 (“Assignment Agreement”), by virtue of which SBI had assigned its rights, title and interest in the financing documents, all agreements, deed and documents related thereto and all collateral and underlying Security interest and/or pledges created to secure, and/or guarantees issued in respect of the repayment of the Loans extended to the Borrower, to the Applicant (M/s. CFM Asset Reconstruction Private Limited). The applicant further submits that after the Assignment Agreement, the charge was modified and registered in favour of the applicant on 16.04.2021.

- h) The applicant submits that a Section 7 Petition C.P. (IB) No. 1096/2018 was filed by SBI against the Principal Borrower and the same was admitted by the Hon'ble Principal Bench of this Hon'ble Tribunal on 23 March 2022. The applicant further submits that a Section 7 Petition i.e., C.P. (IB) No. 108/2022 case titled CFM Assets Reconstruction Pvt. Ltd. Vs Micro Stock Holding Pvt. Ltd. was also filed by the applicant against one of the other guarantors of the Principal Borrower and was admitted by the Hon'ble Principal Bench on 11 May 2022.
- i) The Applicant for the purpose of proving the existence of debt, consequential default, acknowledgement of debt, have annexed the following document with the instant application :-
- i. Copy of Loan Account statement of the Accounts.
 - ii. Copy of Master Restructuring Agreement executed between the Borrower and the Lenders dated 30 September 2013.
 - iii. Copy of Security Trustee Agreement dated 30 September 2013.
 - iv. Copy of Deed of Guarantee executed by Corporate Debtor dated 30 September 2013
 - v. Copy of Deed of Guarantee dated 1 October 2014 executed by Corporate Debtor
 - vi. Copy of Second Supplemental and Amendatory Master Restructuring Agreement dated 12 June 2015
 - vii. Copy of Supplemental and Amendatory Deed of Guarantee to Deed of Guarantee.
 - viii. Copy of Balance Confirmatory Cum Acknowledgment of Security Letter issued by the Borrower to State Bank of Patiala dated 27 April 2016.
 - ix. Copy of Letter dated 16 July 2017 issued by Corporate Debtor, Borrower, Mr. Naresh Kumar Aggarwal, M/s Micro Stock Holdings Pvt. Ltd. and M/s M.G. Finvest Pvt. Ltd
 - x. Copy of Demand Notice dated 29 August 2017.
 - xi. Copy of Notice under Section 13(2) SARFAESI Act, 2002 dated 20 September 2017.
 - xii. O.A. 189 of 2018 filed by SBI before Debt Recovery Tribunal, New Delhi.
 - xiii. Written Statement along with Counter Claim filed by Guarantors of the Borrower, including the Corporate Debtor, in O.A. 189 of 2018.
 - xiv. Copy of Assignment Agreement dated 18 January 2021.

4. The defence placed by the Corporate Debtor in its reply and submissions made and argued by the Learned Counsel of the Corporate Debtor are summarized hereunder:-

- a) The Corporate Debtor submits that the applicant does not fall within the definition of 'Financial Creditor' under Section 5(7) of the Code, 2016 as the assignment agreement dated 18.01.2021 executed between the SBI ('original lender') to the applicant is not a legally enforceable assignment deed since the same has not been registered under Section 17 of the Registration Act, 1908. To support its contention, the Corporate Debtor relied on the **Hon'ble NCLAT judgement in M/s. Palm Products Private Limited versus T.V.L. Narsimha Rao [Company Appeal (AT)(Ins) No 809 of 20202] and Hon'ble DRAT judgement in Central Bank of India versus Rita Machines (India) Pvt Ltd [Miscellaneous Appeal No. 361 of 2021].**
- b) The Corporate Debtor further submits that there exists no privity of contract between the Applicant and the Corporate Debtor since the deed of guarantee dated 30.09.2013 was executed in favor of SBICAP Trustee Company and can be enforced only by the Security Trustee, only after consultation with all the lenders. The Corporate Debtor adds that since there is no privity of contract between the Applicant and the Corporate Debtor, no action can be taken by the Applicant against the Respondent.
- c) The Corporate Debtor submits that the Applicant has made a mala fide attempt to file duplicate claims with respect to the same debt on same facts and for the same default. The Corporate Debtor further submits that vide order dated 22.03.2022 in C.P. (IB)/1096/PB/2018, the CIRP was commenced against the Principal Borrower ('M/s. Action Ispat Limited) and claim for the amount of default claimed in the instant application has been duly admitted in the ongoing CIRP of M/s. Action Ispat Limited, principal borrower.
- d) The Corporate Debtor submits that in terms of Section 7 of the Code, 2016, the Applicant has failed to mention the 'Date of Default' in Part-IV of Form I which is essential for the purposes of Limitation.

5. The Applicant had filed rejoinder to the reply submitted by the Corporate Debtor. The submissions of the Applicant in the rejoinder and argued by the Learned Counsel of the Applicant are summarized hereunder:-
- a) The Applicant submits that by way of Assignment Agreement dated 18.01.2021, SBI has absolutely assigned and transferred all of its rights in the credit facilities extended to the Borrower along with all underlying security interests to the Applicant. The Applicant adds that by virtue of the Assignment Agreement dated 18.01.2021, the Applicant has stepped into the shoes of the erstwhile Financial Creditor (SBI). The Applicant further submits that Section 5 (1A) of SARFAESI read with Section 8F of the Indian Stamp Act, 1899 exempts the Assignment Deed from stamp duty and therefore, the Assignment Deed dated 18.01.2021 is valid.
 - b) The Applicant submits that Section 128 of the Indian Contract Act, 1872 stipulates that the liability of the guarantor/surety is co-extensive with that of Principal Debtor. To buttress its contention, the Applicant placed reliance on **Hon'ble NCLAT judgement in Kanwar Raj Bhagat vs. Gujarat Hydrocarbons and Power SEZ Ltd. & Anr. [Company Appeal (AT)(Insolvency) No. 1096 of 20202]**
 - c) The Applicant submits that the date of default is 29.08.2017 i.e., date on which the demand notice upon the Borrower and its guarantor (including Corporate Debtor) calling upon to repay the outstanding amount was issued, however, the Principal Borrower as well as the Corporate Debtor had failed to repay the amount. The Applicant further adds that the as per the provisions of the Code, 2016, the limitation would be over on 29.08.2020, however, the period from 15.03.2020 to 28.02.2020 is excluded in view of the Hon'ble Supreme Court order dated 10.02.2022 in Suo Moto W.P.(C) No. 3 of 2022.
6. We have heard Ld. Counsel for both the parties and perused the averments made in the application, reply, rejoinder and the written submissions filed by the parties. The relevant documents annexed with the respective submissions have been examined in detail.

7. From the submissions, it is observed that the Corporate Debtor has raised the question on the status of the Applicant not being a Financial Creditor under Section 5(7) of the Code, 2016 on the ground that the Assignment Agreement dated 18.01.2021 executed between the SBI (original borrower) and Applicant is not legally enforceable and there exist no privity of contract between the Applicant and the Corporate Debtor.
8. At this juncture it is relevant to refer the definition of Financial Creditor as provided in Clause 5(7) of the Code, 2016. The definition of Financial Creditor is reproduced herein in verbatim: -
5. Definitions: -
(7) “financial creditor” means any person to whom a financial debt is owed and include a person to whom such debt has been legally assigned or transferred to;
9. We are of the considered view that the assignment of debt essentially being a transaction between the Creditor and the Assignee and assignment being recognized by the Code, 2016 as a valid mode of transfer of rights across the ambit of Section 5(7) of the Code, therefore, the entity who received the said assignment of debt falls within the fold of ‘Financial Creditor’. Further, we are persuaded by the decision of the **Hon’ble NCLAT in Lalan Kumar Singh v. Phoenix ARC (P) Ltd., [2018 SCC OnLine NCLAT 835, dated 20-12-2018]** wherein the Hon’ble NCLAT while reiterating the objectives of the Code, 2016 observed that, “in the present case we find that the appellant has sought declaration that the assignment made by HSBC to ‘Phoenix’ as illegal, which can be raised only in a civil suit. The appellant is trying to convert the proceedings under the ‘I&B Code’ as civil proceedings akin to a trial which is not the legislative intent.”
10. The Corporate Debtor has relied upon **Palm Products Pvt. Ltd. Vs T.V.L. Narsimha Rao & Anr. C.A. (AT)(INS) No. 809 of 2020** to submit that if an assignment deed is not registered, it cannot fall within the ambit of claim and consequently, will not fall within the ambit of debt under the Code. On a perusal of given citation, we observe that the finding with regard to registration of

assignment deed in the relied citation relates to acceptance of a claim by the Resolution Professional and not admission of an application, filed under Sec 7 of the Code, 2016. Therefore, the said citation is not helpful to the Corporate Debtor in the present case.

11. As regards to the Corporate Debtor's contention that the Assignment Agreement dated 18.01.2021 is not legally enforceable since the same has not been registered under Section 17 of the Registration Act, 1908, whereas on the other hand the Applicant contended that the Applicant being an Asset Reconstruction Company is exempted from Stamp Duty Payment under Section 5(1A) of SARFAESI Act read with Section 8F of the Indian Stamp Act, 1899, we find that under Section 5 (1) of the SARFAESI Act, 2002, Bank is empowered to assign loan to an Asset Reconstruction Company and specifically under Section 5(1A) of the SARFAESI Act, 2002, the documents executed by any bank or financial institution under sub-section (1) in favor of the asset reconstruction company acquiring financial assets for the purposes of asset reconstruction or securitization shall be exempted from stamp duty. Therefore, considering the exemption provided under Section 5(1A) of SARFAESI Act, 2002 we are not inclined to accept the contention that the said assignment agreement being unregistered is not legally enforceable.
12. In a summary proceeding like the IBC proceedings, it is out of the ambit of this Adjudicating Authority to go into the details as regard the requirement or exemption of registration of the Assignment Agreement and other related issues concerning the legality and issue of privity of parties to the Assignment Agreement dated 18.01.2021. Therefore, in this background the assignment cannot be challenged in the petition under Section 7 of the Code, 2016 and as such this issue cannot be decided by the Adjudicating Authority.
13. Further, it is pertinent to note that the assignment does not affect the liability and obligations of the Corporate Debtor to discharge the debt. When this is so, the Applicant herein i.e., CFM Asset Reconstruction Private Limited would step into the shoes of SBI (original lender) with the Assignment Deed dated

18.01.2021 executed in its favor. The contentions raised by the Corporate Debtor is accordingly repelled.

14. As regard to the Corporate Debtor's contention that applicant has made a mala fide attempt to file duplicate claims with respect to the same debt on same facts and for the same default, it is pertinent to note that under section 128 of the Indian Contract Act, 1872 the liability of the surety is coextensive with that of the principal debtor, unless otherwise provided under the contract. Further, in relation to the aspect of Corporate Guarantee it is apt to refer to the decision of the Hon'ble Supreme Court in the matter of **Laxmi Pat Surana --Vs- Union Bank of India & Anr. in Civil Appeal No. 2734 of 2020** wherein it was held that the liability of the 'Corporate Guarantor' is 'coextensive' with that of the 'Principal Borrower' and that acknowledgment given by the 'Principal Borrower' also binds the 'Corporate Guarantor'.
15. The Corporate Debtor failed to bring on record any document to prove that there exists any such provision in the Guarantee Agreement which provides for discharge of the surety before the entire dues guaranteed under the Guarantee Agreement are repaid. Therefore, we are of considered view that the liability of the Corporate Debtor cannot be extinguished simply because CIRP has been initiated against the Principal Borrower. Therefore, this contention of the Corporate Debtor is overruled.
16. As regard to Corporate Debtor's contention that the date of default as relied by the applicant is 29.08.2017 i.e., the date when SBI issued demand notice upon Borrower and its guarantors (including Corporate Debtor) calling upon to repay the outstanding amount is sent after the default has taken place and not prior to that therefore, the date of default relied upon by the Applicant is not tenable, for the purpose of limitation. As far as the question of limitation is concerned, from the records, we observe that the Corporate Debtor being guarantors executed revival letters acknowledging their liability to pay the outstanding amount along with interest costs, charges and expenses and acknowledged the validity of all security documents on 16.07.2016. Further, the account of the Principal Borrower was declared as Non -Performing Asset on 31.03.2017,

consequent to which SBI had issued notice dated 20.09.2017 under Section 13(2) of SARFAESI Act, 2002 and also filed an application before the DRT, New Delhi bearing OA No. 189/2018 under Section 19 of Recovery of Debts and Bankruptcy Act, 1993 against the Principal Borrower and its Guarantor including the Corporate Debtor. In the OA No. 189/2018, the Corporate Debtor had filed its reply as well counter claim on 14.03.2019. Again, vide notice dated 29.08.2018, the SBI had issued a demand notice upon the Borrower and Guarantor calling them to repay the outstanding amount. In accordance to Section 18 of the Limitation Act, 1963, the Corporate Debtor had acknowledged its liability on 16.07.2016 by executing the revival letters, submitting reply and also by way of counter claim to the case pending before DRT, New Delhi on 14.03.2019. Be that as it may, if we take the limitation period to start running from 31.03.2017 ('Date of NPA') then the limitation would fall under the time period which has been waived by Hon'ble Supreme Court during Covid Pandemic. In the Suo Moto Writ Petition (C) No. 3 of 2020 in Re: Cognizance for Extension of Limitation, the Hon'ble Apex Court took Suo Motu cognizance of the difficulties that might be faced by the litigants and held that "In cases where the limitation would have expired during the period between 15.03.2020 till 28.02.2022, notwithstanding the actual balance period of limitation remaining, all persons shall have a limitation period of 90 days from 01.03.2022. In the event the actual balance period of limitation remaining, with effect from 01.03.2022 is greater than 90 days, that longer period shall apply". The present application under Section 7 of the Code, 2016 is filed on 25.09.2021 as per the records, which is well within the extended period of limitation as declared by Hon'ble Supreme Court.

17. Thus, from the facts which are borne on record, as narrated above, we are of the considered view that the ' financial debt' is not barred by limitation and the submissions of the Corporate Debtor as to the present application being barred by limitation is not sustainable. Hence, in all respects the 'debt' as claimed by the Financial Creditor is well within the period of limitation. It is not denied that the Corporate Debtor has committed 'default' in repayment of the said 'financial debt'.

18. The Hon'ble Supreme Court in the matter of **Innoventive Industries Ltd. vs.**

ICICI Bank & Anr (2018) 1 SCC 407, held as follows :-

“29. The scheme of Section 7 stands in contrast with the scheme under Section 8 where an operational creditor is, on the occurrence of a default, to first deliver a demand notice of the unpaid debt to the operational debtor in the manner provided in Section 8(1) of the Code. Under Section 8(2), the corporate debtor can, within a period of 10 days of receipt of the demand notice or copy of the invoice mentioned in sub-section (1), bring to the notice of the operational creditor the existence of a dispute or the record of the pendency of a suit or arbitration proceedings, which is pre-existing – i.e. before such notice or invoice was received by the corporate debtor. The moment there is existence of such a dispute, the operational creditor gets out of the clutches of the Code. 30. On the other hand, as we have seen, **in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is “due”** i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise.”

“30. On the other hand, as we have seen, **in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is “due”** i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise.”

19. Therefore, on the basis of detailed discussion in the aforesaid paragraphs, we are satisfied that the present petition is complete in all respects and there exists a ‘financial debt’ and ‘default’. As a sequel to the above discussion and in terms of Section 7(5)(a) of the Code, 2016, the instant Application i.e., C.P.(IB) No. 106/ND/2022 stands admitted and the CIRP of M/s. **Nikhil Footwears Private Limited** shall be initiated.

20. The petitioner in amended Part-III of the petition has proposed the name of Mr. Dipti Ranjan Nath as proposed Interim Resolution Professional, having

Registration Number IBBI/IPA-001/IPP00976/2017-2018/11606.. The consent of the proposed interim resolution profession in Form-2 is placed on record. Therefore, Mr. Dipti Ranjan Nath, having registration number IBBI/IPA-001/IPP00976/2017-2018/11606 and email – id dipti.ranjan.nath@icai.org is appointed as an Interim Resolution Professional (IRP) for corporate debtor. The IRP so appointed shall file a valid AFA and disclosure about non-initiation of any disciplinary proceedings against him, within three (3) days of pronouncement of this order.

21. 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.”
(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.*”

22. 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.

23. In pursuance of Section 13 (2) of the Code, we direct that public announcement shall be made by the Interim Resolution Professional immediately (within 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.
24. We direct the applicant Financial Creditor to deposit a sum of Rs. 2 Lakhs (Two Lakh Rupees) with the Interim Resolution Professional to meet out the expenses to perform the functions assigned to him in accordance with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The needful shall be done within three days from the date of receipt of this order by the Financial Creditor. The said amount, however, is subject to adjustment towards Resolution Process cost as per applicable rules
25. The Interim Resolution Professional shall perform all his functions as 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.
26. 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 tainted/illegal transaction by ex-directors or anyone else, the Interim Resolution Professional would be at liberty to make appropriate application to this Tribunal with a prayer for passing appropriate orders.

27. 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 his 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.
28. 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.
29. Accordingly, the instant application filed under Section 7 of the Code, 2016 bearing **I.B./106(ND)/2022 stands admitted.**

Sd/-

**(DR.BINOD KUMAR SINHA)
MEMBER (T)**

Sd/-

**(SH. P.S.N PRASAD)
MEMBER (J)**