

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

**IB-1374/(ND)/2019**

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:**

**Corporation Bank**  
Mangladevi Temple,  
Pandeshwar,  
Mangalore.

...Applicant

**Versus**

**Hydric Farms Inputs Ltd.**  
Flat No. 2, 1<sup>st</sup> Floor,  
50 B, Madhu Vihar Extension,  
Patparganj,  
New Delhi – 110091.

...Respondent



Coram:

**SHRI ABNI RANJAN KUMAR SINHA**  
Hon'ble Member (Judicial)

**DR. V.K. SUBBURAJ**  
Hon'ble Member (Technical)

Counsel for Applicant: Ekta Choudhary. Advocate  
Counsel for Respondent: Neeraj Kumar Gupta. Advocate



**ORDER**

**Per Dr. V. K. Subburaj (Member Technical)**

**Date: 20.11.2019**

1. This is an application filed by the Applicant Corporation Bank seeking to initiate corporate insolvency resolution process ("CIRP") of the Respondent Hydric Farms Inputs Ltd. under Section 7 of the Insolvency and Bankruptcy Code 2016 ("the Code") for the alleged default on the part of the Respondent in clearing the debt of Rs. 12,50,59,274/- including interest owed to the Applicant. The details of transactions leading to the filing of this application as averred by the Applicant are as follows:
  - i. On 22.03.2014 the Applicant extended credit of Rs.10,00,00,000/- vide sanction reference no. ZO/LKO/ADV/P-3079/CSI/ZLCC/219/2013-14 dated 22.03.2014. The term loan was renewed on 23.09.2015.
  - ii. On 30.09.2017 the account was classified as a non-performing asset. On 30.10.2017 notice under Section 13(2) was duly served on the Respondent. Original application being O.A. No. 132 of 2018 was filed for recovery of Rs.10,56,24,751/-. Till 23.04.2019 the Applicant failed to pay the amount due and hence



the present application was filed for recovery of Rs.12,50,59,274/-.

2. Consequent to the notice issued by this Tribunal, the Respondent filed its reply in which the Respondent has admitted the default and expressed inability to pay the debt due to various reasons. The Respondent has prayed that the admission of the present will affect the livelihood of thousands of persons working with the company and therefore, the application should not be admitted. However, the purpose of the Code is to provide resolution of such hardships by giving opportunities to other entities to turn around the insolvent company and thus, save the jobs which are in danger. Hence, since the debt and default had been established by the Applicant we do not find any difficulty in admitting the present application and initiating the CIRP of the Respondent.

3. A moratorium in terms of Section 14 of the Code is imposed forthwith in following terms:

“(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;

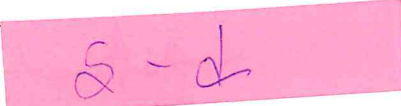
(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Respondent.

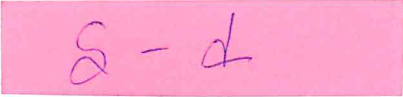
- (2) The supply of essential goods or services to the Respondent as may be specified shall not be terminated or suspended or interrupted during moratorium period.
- (3) The provisions of sub-section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.



(4) The order of moratorium shall have effect from the date of such order till the completion of the corporate insolvency resolution process.”

4. The interim resolution professional (“IRP”) proposed by the Applicant is Mr. Aditya Agarwal, email id: [caaditya65@gmail.com](mailto:caaditya65@gmail.com) and is being confirmed by this Bench. 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.

  
(Dr. V.K. SUBBURAJ)  
MEMBER (TECHNICAL)

  
(Dr. P.S.N. PRASAD)  
MEMBER (JUDICIAL)