



**THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH (Court-II), CHANDIGARH**

CP (IB) No. 131/Chd/Pb/2022

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

In the matter of CP (IB) No. 131/Chd/Pb/2022 :

STATE BANK OF INDIA

having its Corporate Centre at:
Madam Cama Road, Nariman Point,
Mumbai

And having its Branch Office at
Stressed Asset Management Branch (SAMB),
Zonal Office Building, Ground Floor, Fountain Chowk,
Civil Line, Ludhiana,

...Financial Creditor/Applicant

Vs.

MUKESH UDYOG LIMITED

having its Registered Office at
Buddewal Road, Near Kohara,
District Ludhiana-141112
Punjab

...Corporate Debtor/Respondent

Judgment delivered on: 03.06.2024

**Coram: HON'BLE DR. PSN PRASAD, MEMBER (JUDICIAL)
HON'BLE MR. SATYA RANJAN PRASAD, MEMBER (TECHNICAL)**

Present:

For the Financial Creditor/Applicant : Mr. Harsh Garg with Ms. Ramneek Kaur
Mann, Advocates

For the Corporate Debtor/Respondent : Mr. Aalok Jagga with Mr. APS Madaan,
Advocates

For the State Bank of India : Mr. Vinod Kataria, through video conferencing

**PER: Dr. PSN Prasad, MEMBER (JUDICIAL)
Sh. Satya Ranjan Prasad, MEMBER (TECHNICAL)**



JUDGMENT

The present application has been filed by **State bank of India**, (hereinafter referred to as 'Financial Creditor/Applicant'), through its authorized representative, under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'Code') read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiation of Corporate Insolvency Resolution Process ('CIRP') against **Mukesh Udyog Limited** (hereinafter referred to as 'Corporate Debtor/Respondent'). The application is signed by Sh. Sanjay Kumar Malhotra, Assistant General Manager at SAM Branch Ludhiana, with the affidavit verifying the contents of the application, appended thereto. It is submitted in the application that the Corporate Debtor has defaulted in respect of a sum aggregating to Rs. 60.01 Crore (Rs. Sixty Crore and one lakh only) including interest payable as on 31.12.2021.

2) Brief facts as stated by the Financial Creditor in the application are as below-

- A. The Corporate Debtor i.e. Mukesh Udyog Limited was incorporated on 24.08.1994. The Authorized Capital of the Corporate Debtor is Rs. 20,00,00,000/- (Rupees Twenty Crore only). The Corporate Debtor has availed the initial financial facilities of Rs. 9.50 Crore (Rs. Nine Crore fifty lakh only) which were sanctioned and released to the Corporate Debtor on execution of security documents on 04.11.2003.
- B. Subsequently after accepting the requests of the Corporate Debtor, separate loan agreement was executed by and between the Corporate Debtor and Financial Creditors. The said financial facilities were renewed/enhanced/reduced on various dates with the last renewal on 28.04.2014. These facilities were also



secured through creation of equitable mortgage as a collateral security in the year 07.11.2003 which was further extended on enhancement from time to time.

C. On 27.04.2015, the Financial Creditor sent notice to the corporate debtor under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002.

D. Thereafter on 26.12.2019, the Financial Creditor filed an application at Debt Recovery Tribunal, Chandigarh. The Debt Recovery Tribunal allowed the Financial Creditors application and issued a recovery certificate dated 29.01.2021 under Section 19(7) read with section 19(22) of the Recovery of debts due to the Banks and Financial Institution Act 1993, for recovery of debt of Rs. 33,96,045,42.79/- in RC no. 1798/2019 in case no. OA/1682/2017 and the Corporate Debtor failed to repay the debt. Hence, the Financial Creditor filed the present application.

E. The Corporate Debtor committed breach of the loan agreement by making default in payment of loan and consequently the Financial Creditor was constrained to recall the loan facilities. The Corporate Debtor has failed to pay its outstanding dues till date, the total outstanding debt is Rs. 60.01 Crore as on 31.12.2021. Out of which, the principal amount of debt is Rs. 27,27,00,000/- which were credited vide loan account numbers 37138850142, 37138873501 and 40218558802. The detailed chart of disbursement of payment to Corporate Debtor is stated below-

Date of Disbursement	Rupees (in Crore)
04.11.2003	9.50



08.11.2005	12.08
22.02.2007	56.63
10.07.2008	68.70
09.10.2009	48.68
11.03.2011	68.80
28.12.2012	44.63
24.05.2013	40.48
28.04.2014	33.43

F. The particulars of security held by the Financial Creditor as stated in the application is given below-

Sr. No	Area	Location No.	Name of the Land owner	Value in Cr.
1.	8k-10m	28516	Mr. Pardeep Gupta	1.87
2.	8k-17m	28704	Mr. Deepak Gupta	1.95
3.	15k-14m	30062	Mr. Krishna Gupta	3.45
4.	10k-15m	31277	Mr. Sandeep Gupta	2.37
5.	13k-13m	30672	Mrs. Simla Rani	3.01
6.	0k-14m	31643	Mrs. Simla Rani	0.16
7.	8k-17m	1729	Mr. Sandeep Gupta	1.94

G. The related loan agreements between the Financial Creditor and Corporate Debtor are attached as annexure 1,2,3,4,5,6,7,8,9,10,11,12,13,14, and 15.



H. The Corporate Debtor has also sent proposals of one time settlement to the Financial Creditor, the last one dated 27.09.2022, which was rejected by the Financial creditor vide letter dated 28.09.2022 as the compromise offer was on a very lower side. A copy of the same was filed by the Financial creditor vide compliance affidavit having diary no. 00784/2 dated 11.10.2022.

3) The Corporate Debtor filed its reply vide diary no. 00784/4 dated 05.03.2024 to the present application. The Corporate Debtor in its reply stated as under-

A. That the Financial Creditor has wrongly given the date of default at page 12-A as 27.06.2015. The state of Accounts at page no. 338 shows that the penal interest was added on 31.12.2014 which is much prior to the aforesaid date of default. Further, at page 1 i.e. notice under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 dated 27.04.2015 wherein the date of NPA is stated to be 31.12.2014. The word 'default' has been defined under Section 3(12) of the IB Code is as under-

“Default” means non-payment of debt when whole or any part or installment of the amount of debt has become due and payable and is not paid by the debtor or the corporate debtor as the case may be.”

The Corporate Debtor in its application submitted that IBC does not talk about the date of NPA but talks about the date of default as cause of action for initiation of action under IBC. It is cumulative effect of default that leads to declaration of NPA because it is well settled that in terms of Masters Circular-Income Recognition Asset Classification pertaining to advances issued by RBI under



Section 35-A of the Banking Regulation Act, 1949 that 90 days of default leads to declaration of the account as NPA. Therefore, since the date of NPA is 31.12.2014, it is apparent that the date of default must be prior to 30.09.2013.

- B. Thereafter, it is submitted in the reply that Page 265 and 267 shows that apart from SBI, there are two other Financial Creditors namely Punjab National Bank and Punjab and Sind Bank. The explanation to Section 7(1) of the code provides that for the purposes of Section 7(1) which entitles the financial creditor to file application for initiation of CIRP, when "default" has occurred, the "default" has been further explained in the explanation to mean that it shall include the default in respect of Financial debt not only owed to the applicant Financial Creditor but to any other Financial Creditor of the Corporate Debtor. Therefore, the default has to be after taking into consideration the default of the other two Financial Creditors also. The date of default coined and determined by the applicant/Financial Creditor is restrictively only to the alleged default of the applicant without taking into consideration the default of the other financial creditors as well, who have also initiated actions under the Act of 2002 and have issued notices under Section 13(2) which are appended as Annexure R-1 and R-2 of the reply. Therefore, the date of default has been wrongly determined.
- C. The Corporate Debtor further stated that the present petition is barred by limitation. A perusal of the present petition will reveal that the same has been filed on 23.04.2022 whereas the date of default actually is close to 30.09.2014 even going by the assertion of the applicant. It is well settled that the period of limitation is three years as per Article 137 of the Limitation Act, 1963 which has



expired long time back. Further, even as per Section-18 of the Limitation Act, 1963 acknowledgment or continuation of limitation is only possible if there is any acknowledgment before expiry of the period of three years which is missing in the present case. The reliance placed by the applicant on the piteous letter dated 28.03.2022 is much after expiry of three years of limitation period. Consequently, the present petition is barred by limitation.

- D. The date of default as provided in part IV of the form is 27.06.2015 whereas the calculation of default is not from 27.06.2015, but is from 12.11.2015 as is apparent from Pg. 349 of the application. If the date of default is 27.06.2015, however, the bank is calculating the calculation of default from 12.11.2015 whereas this date of 12.11.2015 also has no significance even in the petition or anywhere else. Thus, the calculation itself is illegal.
- E. The bank has calculated interest on the principal amount of debt @ 14.30% w.e.f. 12.11.2015, which is contrary to the decree/ recovery certificate issued by DRT bearing RC No. 1798 of 2019. According to the DRT order it should be calculated as 14.30% simple interest. It is further stated in the reply that the determination is not to be done from 12.11.2015 as per DRT but is required to be done in terms of the requirement of IBC which is the date of default. It is well settled in terms of Section 238 of the Code that the IBC overrides provisions of the Recovery of Debts and Bankruptcy Act.
- F. That even the recovery certificate will not extend the limitation because the cause of action to file the present petition had accrued on the date of default which is close to 30.09.2014 and there is no document within three years thereof to



extend the limitation which had already expired in the year 2016 itself. Secondly, the books of account and balance sheet placed on record does not depict any acknowledgment of debt of the applicant and therefore reference of the same is also meaningless. Still further, the balance sheet is also much after expiry of three years from the date of default. Consequently, the present petition is required to be dismissed.

G. The respondent corporate debtor further stated that the petition is incomplete since at Pg. 14 of the petition, it is stated that the record of default will be filed. Also, the AFA placed on record of the proposed Resolution Professional dated 05.10.2021 has already expired on 04.10.2022. Consequently, the petition is incomplete.

H. The Respondent Corporate Debtor also submitted that no action has been taken for affecting recovery by the bank in spite of the fact that according to the bank, demand notice under Section 13(2) of the Act, 2002 was issued way back on 27.04.2015 and the date of NPA is 31.12.2014. The Corporate Debtor further placed reliance on the judgment by the Hon'ble Appellate Tribunal where it has been held that if there is no action taken by the Financial Creditor, it cannot take benefit of increasing the liability on account of its own inability and inaction to take recovery measures at the right time. If the bank would have taken action during this period, the debt would not have remained because the value of the debt has increased much more than the value of the property in recent years. Therefore, the fault lies on the part of the applicant who did not and failed to take



action against the available assets of the corporate debtor and continued to subsist the default and then included interest which is impermissible in law.

- I. That the present petition also deserves to be dismissed on account of non-compliance of Regulation 2-B of IBBI (Insolvency Resolution Process for Corporate Debtor) Rules, 2016. The Financial Creditor as per section 7(3)(A) of the code, should have submitted the certified copy of entries in order to prove evidence of default, of the relevant books in the Bankers Books as defined under Bankers Book Evidence Act, 1891. The Bankers Book Evidence Act which has been placed on record at Pg. 337 is not in tune with what is required to be appended. Further, the person who has signed at Pg.337 is not the person who maintained the computer data nor his name or address has been mentioned in the said petition. The said certificate is also incomplete. The person, who has signed the said certificate, does not depict himself to be in charge of the computer system and even the name of the computer system does not find mention in the said certificate.
- J. That the amount of default as calculated as on 31.12.2021 ought to have been on the date of default and not on the date as coined or noticed by the bank. It is not a recovery suit being filed by the bank in order to depict the amount recoverable on a particular date close to the date of filing, whereas IBC is default centric and consequently is required to depict the amount outstanding on the date of default which the bank has wrongly depicted. In fact, as highlighted earlier, even the date of default has been wrongly mentioned.



- K. That at Pg. 350 of the application, there is an authority given in favor of the AGM to sign the present petition, but there is no power of attorney, either in favor of the AGM or in favor of the DGM from where it could be deciphered as to whether the person who has authorized AGM himself was authorized to give such power of attorney to give power or not.
- L. That even the Power of Attorney/ Vakalatnama at Pg. 352 stipulates that the authority to file the present petition has been given to some Jupiter Law Firm, but the constitution of the said firm is not placed on record and therefore it can be said as to whether person who is signing and filing the present petition on behalf of the bank, has been authorized or not because of lack of authorization or constitution of the said firm.
- M. That the present petition is also in violation of Rule 4 (3) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 as it was mandatory for the applicant to serve copy of the application to the registered office of the Corporate Debtor by registered post or speed post or by electronic means "before filing with the adjudicating authority." In the present case, the email which has been placed on record is only pertaining to one volume whereas admittedly the present petition has been filed in two volumes. Incomplete copy apparently is stated to have been sent which cannot be said to be in compliance of the above provisions. The Rule requires the complete petition to be sent to the applicant. The email itself depicts that it is only volume 1 and not the complete copy. Thus, there is no such petition in the eyes of law which allegedly have been sent in terms of Rule-4.



N. That certificate under Section 65 (B) has been placed on record by the counsel whereas, such certificate ought to have been from the bank because electronic record and evidence has been produced by the bank and not by the Counsel. The certificate itself is defective and emanating from a person not authorized to issue such a certificate. It is not the electronic record or evidence which has been retained by the advocate to be produced before a Judicial Court. The entire evidence and record is available with the applicant but such certificate coming from a counsel can not be treated to be a substitute of the requirement of such certificate to be filed by the applicant.

4) The Financial Creditor filed rejoinder vide diary number 00784/6 dated 02.04.2024 wherein the financial creditor denied the contentions raised by the corporate debtor and stated the following-

A. In the present case, the date of NPA is 31.12.2014 and it can be considered as the first date of default. However, the applicant bank is also entitled to initiate proceedings under Section 7 IBC within three years from the date of issuance of the recovery certificate (Annexure A-11 of the Application filed on 23-04-2022). Thus objections as to wrong date of default or alleged date of default is 30.09.2014 would pale into insignificance in view of issuance of recovery certificate by DRT which gives fresh cause of action to file application from date of issuance of recovery certificate. Also in view of subsequent acknowledgment the corporate debtor acknowledging its liability to the applicant bank through balance Confirmation certificate as on 31.03.2015 duly signed by Authorised signatory of Corporate Debtor is enclosed as an "Annexure A-17". Also letters



offering compromise dated 07.07.2017 and 12.07.2017 and its rejection vide letter dated 14.08.2017 are enclosed as "Annexure A-18" (Colly). CA Audited Financial Statements acknowledging debt at Page No 46 of the Year 2017 is enclosed as "Annexure A-19".

- B. The default amount of the applicant bank itself is more than the threshold limit and the respondent has itself admitted that they have availed debt not only from the applicant bank but also from other banks. On bare perusal of Section 7 of the code, it is clear that it is not mandatory to club the default of other banks.
- C. It is further stated in the rejoinder that it is well settled that while admitting application under Section 7 of the IBC, existence of Debt and Default needs to be examined not Quantum of Debt and in present case amount of default is above threshold of Rupees One crore.
- D. With regard to para 8 of the reply, it is stated that the authorisation for assignment of proposed resolution professional is valid till 13.11.2024. Copy is enclosed as an "Annexure A-20".
- E. In reply to para 10 of the reply of the Corporate Debtor, the Financial Creditor in its rejoinder stated that the reproduced regulation 2B by the Corporate Debtor would come into picture only after order of liquidation. Further order of DRT adjudicating on debt and its default by corporate debtor has already been enclosed with application. As such the application is complete.
- F. The bank statement, certificate and other evidence as required as per Banker's book evidence act are already annexed with application. Moreover, the respondent has admitted debt due to the bank and its default.



- G. It is further stated that the contents of para 13 of the reply are misleading and wrong hence denied. The notification dated 02.05.1987 read with Regulation 76 and 77 of State Bank of India Regulations clearly authorise Senior Management Grade Scale IV officer and above to sign the documents on behalf of the applicant bank. The Assistant General Manager is a position above Senior Management Grade IV officer. The details of officer authorised to file application has also been mentioned in column no 5 & 6 of part 1 of application (page 10) and authorisation showing that Mr Sanjay Kumar Maihotra is Assistant General Manager already enclosed as Annexure A- 15 with the application filed on 23-04-2022. The copy of Gazette Notification dated 02.05.1987 & relevant regulations are attached hereto as "Annexure A-21". Further, the Authorisation Letter of the Applicant Bank authorising Mr Vinod Kataria is annexed and marked as "Annexure A-22" to submit this Rejoinder.
- H. Thereafter it is also stated that there is no violation of rule 4 as alleged in the reply, page 353 and 354 is the copy of mail wherein the details of attachments are clearly mentioned. Even the application/petition has been serviced to respondents thereafter also, for which service of affidavit was filed on 28.07.2022, is attached as an "Annexure A-23". The copy of the application had been provided to them a number of times. The conduct of respondent Corporate Debtor in dilly dallying the matter on one pretext or other and also indulged in forum shopping is writ large. The reply is filed by the Corporate debtor after 22 months only when no relief was granted to it from other forums.



5) Thereafter, the Corporate Debtor filed its written submissions vide diary no. 00784/8 dated 23.04.2024 in which the contents filed in the reply were reiterated.

6) We have heard the learned counsel for the Financial Creditor as well as Corporate debtor and have also perused the records submitted by both the parties.

7) The first issue for consideration is "*Whether the present application is filed within the limitation*". The Financial Creditor in its application stated that the first date of default is 27.06.2015, thereafter a case was filed in Debt Recovery Tribunal on 09.11.2015. The Debt Recovery Tribunal, Chandigarh issued Recovery Certificate under Section 19(7) read with Section 19(22) of the Recovery of Debts due to the Banks and Financial Institution Act, 1993 vide RC no. 1798/2019 in OA/1682/2017 dated 26.12.2019.

The Corporate Debtor challenged the issue of limitation in its reply as well as written submissions stating that the date of default is close to 30.09.2014 and the present application is filed on 23.04.2022 which is beyond the period of limitation of 3 years.

In this regard, this Adjudicating Authority is of the view that the contention of the Corporate Debtor that the present application is barred by limitation is a misconceived notion. It is clear from the various judgements of the Apex Court in similar cases namely; Dena Bank v. C. Shivakumar Reddy, [(2021) 10 SCC 330], Kotak Mahindra Bank Limited vs A. Balakrishnan and Another [(2022) 9 SCC 186] and Tottempudi Salalith vs. State Bank of India [2023 INSC 923], that the issuance of certificate of recovery in favour of the Financial Creditor gives rise to a fresh cause of action to the Financial Creditor to initiate proceedings under Section 7 of the IB Code for initiation of



Corporate Insolvency and Bankruptcy Proceedings within three years from the date of issuance of certificate of recovery, if the dues in terms of the certificate or any part thereof remains unpaid.

Therefore, the present Section 7 application filed on 26.04.2022 is well within the period of limitation of three years from the date of issuance of recovery certificate i.e. 26.12.2019 by DRT.

8) Another issue for consideration is “*whether there is a default in payment of financial debt or not*”. It is observed that in the present case the Respondent-Corporate Debtor has itself not denied the existence of debt and its default in their reply and written submissions. In fact, it is stated in the reply that there are other Financial Creditors as well. The Corporate Debtor has also acknowledged the existence of debt through balance confirmation certificate as on 31.03.2015, and through letters offering one time settlement dated 07.07.2017, 12.07.2017, 26.09.2022 and its rejection vide letter dated 14.08.2017 and 28.09.2022 (Annexure A-17, A-18 and A-19 attached with the rejoinder and Annexure-2 of the compliance affidavit). The existence of debt is further evidenced by the loan sanction and agreements of 2003 and 2011 and renewal of limits (Annexure-2 of the application), certificate of recovery issued by DRT with respect to recovery of a sum of Rs. 339604542.79/- along with cost, expenses and future interest @ 14.30% simple interest (Annexure 11 of the Application), copy of search report received from CA showing registration of charge of the company along with the balance sheet 31.03.2021 (Annexure- 9 of the application), copy of statement of accounts of the Corporate Debtor (Annexure 13 of application).



9) The present application is complete and the Financial Creditor has established the existence of debt and its default. Therefore, the application for initiation of Corporate Insolvency and Bankruptcy Proceedings in the case of Corporate Debtor i.e Mukesh Udyog Limited stands admitted in terms of Section 7(5) of the IBC.

10) We have gone through the contents of the application filed in the Form 1. The Financial Creditor in its application proposed the name of Mr. Ashish Agarwal as the Interim Resolution professional (IRP). From the website of IBBI, it transpires that his AFA certificate no. AA1/11165/02/131124/106299 is valid up to 13.11.2024 and the disciplinary status is shown as not applicable. In view of the above, the Adjudicating Authority hereby confirms the appointment of Proposed IRP Mr. Ashish Agarwal having registration no. IBBI/IPA-001/IP-P00688/2017-18/11165 email id- ashishagarwalca@gmail.com Mobile no. 9781700092 as IRP, with the following directions: -

i.) The term of appointment of Mr. Ashish Agarwal shall be in accordance with the provisions of Section 16(5) of the Code subject to his written consent to be filed within 7 days of this order;

ii.) In terms of Section 17 of the Code, from the date of this appointment, the powers of the Board of Directors shall stand suspended and the management of the affairs shall vest with the Interim Resolution Professional and the officers and the managers of the Corporate Debtor shall report to the Interim Resolution Professional, who shall be enjoined to exercise all the powers as are vested with Interim Resolution Professional



and strictly perform all the duties as are enjoined on the Interim Resolution Professional under Section 18 and other relevant provisions of the Code, including taking control and custody of the assets over which the Corporate Debtor has ownership rights recorded in the balance sheet of the Corporate Debtor, etc. as provided in Section 18 (1) (f) of the Code. The Interim Resolution Professional is directed to prepare a complete list of the inventory of assets of the Corporate Debtor;

iii.) The Interim Resolution Professional shall strictly act in accordance with the Code, all the rules framed thereunder by the Board or the Central Government, and in accordance with the Code of Conduct governing his profession and as an Insolvency Professional with high standards of ethics and morals;

iv.) The Interim Resolution Professional shall cause a public announcement within three days as contemplated under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 of the initiation of the Corporate Insolvency Resolution Process in terms of Section 13 (1) (b) of the Code read with Section 15 calling for the submission of claims against Corporate Debtor;

v.) It is hereby directed that the Corporate Debtor, its Directors, personnel, and the persons associated with the management shall extend all cooperation to the Interim Resolution Professional in managing the



affairs of the Corporate Debtor as a going concern and extend all cooperation in accessing books and records as well as assets of the Corporate Debtor;

vi.) The Suspended Board of Directors is directed to give complete access to the Books of Accounts of the corporate debtor maintained under section 128 of the Companies Act. In case the books are maintained in the electronic mode, the Suspended Board of Directors are to share with the Resolution Professional all the information regarding Maintaining the Backup and regarding Service Provider kept under Rule 3(5) and Rule 3(6) of the Companies Accounts Rules, 2014 respectively as effective from 11.08.2022, especially the name of the service provider, the internet protocol of the Service Provider and its location, and also address of the location of the Books of Accounts maintained in the cloud. In case accounting software for maintaining the books of accounts is used by the corporate debtor, then IRP/RP is to check that the audit trail in the same is not disabled as required under the notification dated 24.03.2021 of the Ministry of Corporate Affairs. The statutory auditor is directed to share with the Resolution Professional the audit documentation and the audit trails, which they are mandated to retain pursuant to SA-230 (Audit Documentation) prescribed by the Auditing and Assurance Standards Board ICAI. The IRP/Resolution Professional is directed to take possession of the Books of Account in physical form or the computer systems storing the electronic records at the earliest. In case of any non-cooperation by the



Suspended Board of Directors or the statutory auditors, he may take the help of the police authorities to enforce this order. The concerned police authorities are directed to extend help to the IRP/RP in implementing this order. For retrieval of relevant information from the systems of the corporate debtor, the IRP/RP may take the assistance of Digital Forensic Experts empaneled with this Bench for this purpose. The Suspended Board of Directors is also directed to hand over all user IDs and passwords relating to the corporate debtor, particularly for government portals, for various compliances. The Interim Resolution Professional is also directed to make a specific mention of non-compliance, if any, in this regard in his status report filed before this Adjudicating Authority immediately after a month of the initiation of the CIRP.

vii.) The Resolution Professional is directed to approach the Government Departments, Banks, Corporate Bodies and other entities with requests for information/documents available with those authorities/institutions/others pertaining to the corporate debtor which would be relevant in the CIR proceedings. The Government Departments, Banks, Corporate Bodies and other entities are directed to render the necessary information and cooperation to the Resolution Professional to enable him to conduct the CIR Proceedings as per law.

viii.) The Interim Resolution Professional shall after collation of all the claims received against the Corporate Debtor and the determination of the operational position of the Corporate Debtor constitute a Committee of



Creditors and shall file a report, certifying the constitution of the Committee to this Tribunal on or before the expiry of thirty days from the date of his appointment, and shall convene the first meeting of the Committee within seven days of filing the report of the constitution of the Committee; and

ix.) The Interim Resolution Professional is directed to send a regular progress report to this Tribunal every fortnight.

11) In terms of section 14 of the code, we also order moratorium as below-

(i) Moratorium under of sub-section (1) of Section 14 of the code for prohibiting all of the following namely:

- 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 Operational Assets and Enforcement of Security Interest Act, 2002; and



- 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.

(ii) it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a 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, 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, permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period

(iii) The provisions of sub-section (1) of section 14 shall not apply to such transactions, agreements or other arrangements as may be notified by the Central Government in consultation with any financial sector regulator or any other authority; a surety in a contract of guarantee to a corporate debtor.

(iv) It is further directed that the supply of essential goods or services to the corporate debtor as may be specified, shall not be terminated or suspended or interrupted during the moratorium period. The provisions of Section 14(3) shall, however, not apply to such transactions as may be notified by the Central Government in consultation with any operational sector regulator and to a surety in a contract of guarantee to a corporate debtor.



(v) The order of moratorium shall have effect from the date of this order till completion of the Corporate Insolvency Resolution Process or until this Bench approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of the Corporate Debtor under Section 33 as the case may be.

12) We direct the Financial Creditor to deposit a sum of ₹2,00,000/- (Rupees four Lakhs Only) with the Interim Resolution Professional, to meet out the initial expense 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 amount, however, is subject to adjustment by the Committee of Creditors as accounted for by the Interim Resolution Professional on the conclusion of CIRP.

13) A copy of the order shall be communicated to both parties. The learned counsel for the applicant Financial Creditor shall deliver a copy of this order to the Interim Resolution Professional forthwith. The Registry is also directed to send a copy of this order to the Interim Resolution Professional at his email address forthwith.

14) The application filed under section 7 is admitted accordingly.

Sd/-

(SATYA RANJAN PRASAD)
MEMBER (TECHNICAL)

Sd/-

(PSN PRASAD)
MEMBER (JUDICIAL)

June 03, 2024
Vanshika