



IN THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH

**CORAM: SHRI DEEP CHANDRA JOSHI,
HON'BLE JUDICIAL MEMBER
SHRI PRASANTA KUMAR MOHANTY,
HON'BLE TECHNICAL MEMBER**

CP No. (IB)- 99/7/JPR/2020

(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:

CHETAN KUMAR VIJAYVARGIYA & ANR.

... Financial Creditor/ Applicant

Versus

AADARSH INFRAMAX DEVELOPERS PVT. LTD.

... Corporate Debtor/ Respondent

MEMO OF PARTIES

CHETAN KUMAR VIJAYVARGIA

60, Mishrarajajika Rasta, 1st Corssing,
Chandpole Bazar, Jaipur, Rajasthan – 302001

...Applicant

VEENA VIJAYVARGIA

60, Mishrarajajika Rasta, 1st Corssing,
Chandpole Bazar, Jaipur, Rajasthan – 302001

...Applicant

VERSUS

AADARSH INFRAMAX DEVELOPERS PRIVATE LIMITED

CIN: U70200RJ2016PTC055239

698, Vijay Path, Devi Nagar,
New Sanganer Road, Jaipur, Rajasthan – 302019

...Respondent



For the Applicant : Prateek Kedawat, Adv.
For the Respondent : Somesh Arora, Adv.
G.S. Sarin, PCS

Order Pronounced On: 13.01.2023

ORDER

Per: Shri Deep Chandra Joshi, Judicial Member

1. The application in the prescribed form is filed by Mr. Chetan Vijayvargia (*deceased*) and Mrs. Veena Vijayvargiya, claiming to be Financial Creditors ('Applicants'/ 'Financial Creditors') for the initiation of the Corporate Insolvency Resolution Process ('CIRP') against M/s Aadarsh Inframax Developers Pvt. Ltd. ('Respondent'/ 'Corporate Debtor'). The application is filed 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 ('Rules').
2. The Respondent is a Private Limited Company, incorporated under the Companies Act, 2013, on 15.06.2016 and duly registered with the Registrar of Companies, Jaipur bearing CIN: U70200RJ2016PTC055239. The Registered Office of the Company is at 698, Vijay Path, Devi Nagar, New Sanganer Road, Jaipur – 302019 (Rajasthan). The authorised share capital of the Respondent Company is Rs. 5,00,000/- (Rupees Five Lakhs Only), and the paid-up share capital is Rs. 1,00,000/- (Rupees One Lakh Only). A copy of the Corporate Debtor's Master Data is annexed as Annexure – E of the application.



3. The Financial Creditor alleged default on the part of the Respondent in settling the amount of Rs. 2,78,56,710/- (Rupees Two Crores Seventy-Eight Lakhs Fifty-Six Thousand Seven Hundred and Ten Only) inclusive of interest as of 31.05.2020. The details of transactions leading to the filing of this application, as averred by the Applicant, are as follows:

a. The Corporate Debtor approached the Financial Creditors for financial assistance for Rs. 1,70,00,000/- (Rupees One Crore Seventy Lakhs Only) at 19.20% per annum interest, which was disbursed in four tranches in the following manner:

Sr. No.	Tranche & Amount	Manner of Payment	Name of the Applicant in Loan disbursement
		Nature of Security	
1.	First Tranche – Rs. 30,00,000/- (Rupees Thirty Lakhs Only)	Cash	Mrs. Veena Vijayvargiya
		Cheque	
2.	Second Tranche – Rs. 1,00,00,000/- (Rupees One Crore Only)	Cheque No. 787356 – ICICI Bank	Mr. Chetan Vijayvargiya
		Cheque	
3.	Third Tranche – Rs. 20,00,000/- (Rupees Twenty Lakhs Only)	Cash	Mrs. Veena Vijayvargiya
		Cheque	
4.	Fourth Tranche – Rs. 20,00,000/- (Rupees Twenty Lakhs Only)	Cheque No. 005903 & 005905 – ICICI Bank	Mr. Chetan Vijayvargiya
		-Nil-	



b. The First Tranche was disbursed on 27.07.2016 and recorded *vide* Agreement dated 02.08.2016 ('First Tranche Agreement'). As per the First Tranche Agreement, the principal amount of the loan needed to be repaid by 26.07.2017, along with paying Rs. 1,05,000/- (Rupees One Lakh Five Thousand Only) monthly out of the profits made from the construction of flats in Ajmer. A copy of the First Tranche Agreement is annexed as Annexure – A of the application. Against this First Tranche Agreement, the Corporate Debtor has furnished security *vide* cheques of 'ICICI Bank – Vaishali Nagar Branch' bearing account number '023505007477' in the following manner:

Serial No.	Cheques No.	Date of Cheque	Amount (in INR)
1.	003281	07.03.2020	Rs. 10,00,000/-
2.	003282	07.03.2020	Rs. 10,00,000/-
3.	003283	07.03.2020	Rs. 10,00,000/-
TOTAL			Rs. 30,00,000/-

These security cheques were dishonoured on the due date for funds being insufficient. The copy of the aforementioned security cheques and cheque return memo dated 20.03.2020 is annexed as Annexure – A1 of the application.

c. The Second Tranche was disbursed on 03.10.2016 and recorded *vide* Agreement dated 01.10.2016 ('Second Tranche Agreement'). According to the Second Tranche Agreement, the principal amount



of the loan needed to be repaid by 30.09.2017, together with paying Rs. 1,60,000/- (Rupees One Lakh Sixty Thousand Only) monthly out of the profits made from the construction of flats in Ajmer. A copy of the Second Tranche Agreement, disbursement of the loan amount and statement of accounts of the Corporate Debtor is annexed as Annexures – B and B2, respectively, of the application. Against this Second Tranche Agreement, the Corporate Debtor has furnished security *vide* cheques of ‘Yes Bank – Vaishali Nagar Branch’ bearing account number ‘048363700000281’ in the following manner:

Serial No.	Cheques No.	Date of Cheque	Amount (in INR)
1.	349863	15.02.2020	25,00,000/-
2.	349864	29.02.2020	25,00,000/-
3.	349865	07.03.2020	25,00,000/-
4.	003386	13.03.2020	25,00,000/-
TOTAL			Rs. 1,00,00,000/-

These security cheques were dishonoured on the due date for funds being insufficient. A copy of the aforementioned security cheques is annexed as Annexure – B1 of the application. In addition, the Corporate Debtor, through its director, has acknowledged the liability of receiving an amount of Rs. 1,00,00,000/- (Rupees One Crore Only). A copy of the acknowledgement letter dated 01.10.2016 is annexed as Annexure – D2 of the application.



d. The Third Tranche was disbursed on 03.10.2016 and recorded *vide* Agreement dated 03.10.2016 ('Third Tranche Agreement'). In accordance with the Third Tranche Agreement, the principal amount of the loan needed to be repaid by 02.10.2017 by paying Rs. 2,00,000/- (Rupees Two Lakh Only) monthly. A copy of the Third Tranche Agreement is annexed as Annexure – C of the application. Against this Third Tranche Agreement, the Corporate Debtor has furnished security *vide* cheques of 'ICICI Bank – Vaishali Nagar Branch' bearing account number '023505007477' in the following manner:

Serial No.	Cheques No.	Date of Cheque	Amount (in INR)
1.	003415	03.12.2016	Rs. 2,00,000/-
2.	003418	03.01.2017	Rs. 2,00,000/-
3.	003419	03.02.2017	Rs. 2,00,000/-
4.	003420	03.03.2017	Rs. 2,00,000/-
5.	003421	03.04.2017	Rs. 2,00,000/-
6.	003422	03.05.2017	Rs. 2,00,000/-
7.	003423	03.06.2017	Rs. 2,00,000/-
8.	003424	03.07.2017	Rs. 2,00,000/-
9.	003425	03.08.2017	Rs. 2,00,000/-
10.	003426	03.09.2017	Rs. 2,00,000/-



TOTAL	Rs. 20,00,000/-
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These security cheques were lapsed/ expired as they were not presented on the due date. A copy of the aforementioned security cheques is annexed as Annexure – C1 of the application.

- e. The Fourth Tranche was disbursed on 17.07.2017 and 18.07.2017 through Cheque No. 005903 & 005905 of ICICI Bank bearing account number '023501538616'. A copy of the Cheque No. 005903 & 005905 and statement of accounts for the Financial Year 2017 – 18 indicating disbursement is annexed as Annexure – D and D1, respectively, of the application. Against this loan amount, the Corporate Debtor has offered no security.
- f. The source of funds for the loan given to the Corporate Debtor is, firstly, a mortgage taken against the property (house); secondly, accrued profits from business and lastly, savings for their daughter's marriage have been utilised for giving the loan. A copy of the mortgage loan of Rs. 1,00,00,000/- (Rupees One Crore Only) undertaken through Axis Bank is annexed as Annexure – B3 of the application. The total outstanding amount of the aforesaid financial debt, along with interest, as enumerated under Part IV, is as follows:

Part IV
PARTICULARS OF FINANCIAL DEBT



1.	Total amount of debt granted	Amount of Debt Granted: Total Principal Amount: Rs. 1,70,00,000/- (Rupees One Crore Seventy Lakhs Only)																		
	Date(s) of Disbursement	<table border="1"><thead><tr><th>S. No.</th><th>Amount</th><th>Date</th></tr></thead><tbody><tr><td></td><td>Rs.30,00,000</td><td>27.07.2016</td></tr><tr><td></td><td>Rs.1,00,00,000</td><td>01.10.2016</td></tr><tr><td></td><td>Rs.20,00,000</td><td>03.10.2016</td></tr><tr><td></td><td>Rs.20,00,000</td><td>17.07.2017</td></tr><tr><td>Total</td><td>Rs.1,70,00,000</td><td>-</td></tr></tbody></table>	S. No.	Amount	Date		Rs.30,00,000	27.07.2016		Rs.1,00,00,000	01.10.2016		Rs.20,00,000	03.10.2016		Rs.20,00,000	17.07.2017	Total	Rs.1,70,00,000	-
		S. No.	Amount	Date																
			Rs.30,00,000	27.07.2016																
			Rs.1,00,00,000	01.10.2016																
			Rs.20,00,000	03.10.2016																
			Rs.20,00,000	17.07.2017																
Total	Rs.1,70,00,000	-																		
2.	Amount claimed to be in default and the date on which the default occurred	<u>Amount Claimed:</u> Rs.2,78,56,710/-* Total Principal Amount: Rs.1,70,00,000/- Total Interest Due: Rs.1,08,56,710/-* Date from which Debt fell Due: 17.03.2020																		

* Calculated as per the Terms & Conditions of the Loan Agreement between the parties.

4. Consequent to the notice issued by this Adjudicating Authority, the Respondent filed in its reply *vide* Diary No. 984/2022 dated 31.03.2022 and has stated the following:

- a. The Applicant does not fall under the provisions of Section 7 of the Code as the claim made does not qualify as 'financial debt' under Section 5(8) of the Code. The Respondent has no privity of contract with the Applicants. According to the First, Second and Third Tranche Agreement, the first party is defined as Mr. Rajesh Yadav, the director of the Respondent. The sequence of



obligation flows from the Applicants to Mr. Rajesh Yadav and later to the Respondent.

- b. Further, in clause three under the First and Second Tranche Agreement, the first party would do the construction of flats in Ajmer through the Respondent, while as per the Third Tranche Agreement, the loan was taken for personal and family use. The amount of Rs. 1,20,00,000/- (Rupees One Crore Twenty Lakhs Only) was taken by Mr. Rajesh Yadav as an investment in Respondent. Mr. Rajesh Yadav owed the Applicants a debt, and the Corporate Debtor is not obligated to repay the loan amount.
- c. Furthermore, clause four of the First and Second Tranche Agreement states that the returns on the aforementioned investment would be provided out of the profits generated from the construction of flats, while the Third Tranche Agreement provides for monthly repayment of Rs. 2,00,000/- (Rupees Two Lakhs Only). The agreement can only be decided after leading the evidence before the civil court. The Applicants also registered a First Information Report ('FIR') at Chitrakoot Police Station, wherein it was mentioned that the money was given for investment purposes. A copy of the FIR is annexed from Pages 37 – 40 of the Written Submission filed *vide* Diary No. 3166/2022 dated 28.10.2022.



- d. The amount received by the Respondent was classified in the head of 'Other Current Liabilities' as Refundable Security Deposits, and to substantiate the same, Financial Statements from Financial Year 2016-17 to 2020-21 are annexed from Page No. 08 – 36 of the Written Submission filed *vide* Diary No. 3166/2022 dated 28.10.2022.
- e. The nature of the security deposit does not meet the requirements of 'borrowing' because it fails to pass the concept of 'disbursement of an amount against the time value of money', and such money disbursed should have a 'commercial effect of borrowing'. The transaction of giving a security deposit is not an independent transaction. Consequently, the definition of financial debt under the IBC excludes 'security deposit' as financial debt for filing an Application under Section 7 of the Code.
- f. For the reasons mentioned above, while submitting the reply, the Respondent relied upon these cases:
- i. *Swiss Ribbons (P) Ltd. v. Union of India, (2019) 4 SCC 17.*
The Hon'ble Supreme Court held that '50. ... Contracts with operational creditors do not have any such stipulations. Also, the forum in which dispute resolution takes place is completely different. Contracts with operational creditors can and do have arbitration clauses where dispute resolution is done privately. Operational debts also tend to be recurring in



nature and the possibility of genuine disputes in case of operational debts is much higher when compared to financial debts. A simple example will suffice. Goods that are supplied may be substandard. Services that are provided may be substandard. Goods may not have been supplied at all. All these qua operational debts are matter to be proved in arbitration or in the courts of law.'

- ii. *Anuj Jain, IRP for Jaypee Infratech Ltd. v. Axis Bank, (2020) 8 SCC 401.*

The Hon'ble Supreme Court has stated that 'the expression 'financial creditor' is a person who has direct engagement in the functioning of the corporate debtor; who is involved right from the beginning while assessing the viability of the corporate debtor; who would engage in restructuring of the loan as well as in reorganisation of the corporate debtor's business when there is financial stress. In other words, the financial creditor, by its own direct involvement in a functional existence of corporate debtor, acquires unique position, who could be entrusted with the task of ensuring the sustenance and growth of the corporate debtor, akin to that of a guardian. In the context of insolvency resolution process, this class of stakeholders namely, financial creditors, is entrusted by the legislature with such a role that it would look forward to ensure that the corporate debtor is rejuvenated and gets back to its wheels with reasonable capacity of repaying its debts and to attend on its other obligations. Protection of the rights of all other stakeholders, including other creditors, would obviously be concomitant of such resurgence of the corporate debtor.'



iii. *Gujarat Urja Nigam Limited v. Amit Gupta & Ors.*, (2021) 7 SCC 209.

The Hon'ble Supreme Court has observed:

'91. The residuary jurisdiction of NCLT under Section 60(5)(c) of IBC provides it a wide discretion to adjudicate questions of law or fact arising from or in relation to the insolvency resolution proceedings. If the jurisdiction of NCLT were to be confined to actions prohibited by Section 14 of IBC, there would have been no requirement for the legislature to enact Section 60(5) (c) of IBC. Section 60(5) (c) would be rendered otiose if Section 14 is held to be exhaustive of the grounds of judicial intervention contemplated under IBC in matters of preserving the value of the Corporate Debtor and its status as a "going concern".'

iv. *Pioneer Urban Land and Infrastructure Limited & Anr. v. Union of India & Ors.*, Writ Petition (Civil) No. 43 of 2019.

The Hon'ble Supreme Court of India observed in respect of home buyers. The Hon'ble Court stated in its judgment that *'... once this prima facie case is made out, the burden shifts on the promoter / real estate developer to point out in their reply that the allottee is himself a defaulter and would, therefore, on a reading of the agreement and the applicable RERA Rules and Regulations, not be entitled to any relief including payment of compensation and/or refund, entailing a dismissal of the said application.'*

Thus, the allottee who has knocked at the doors of the NCLT is a speculative investor and not a person who is genuinely interested in purchasing a flat/apartment. It could be inferred



that the insolvency resolution process under the Code has been invoked fraudulently, with malicious intent or any purpose other than the resolution of insolvency.

- v. *GVFL Trustee Company Private Limited v. Ultravolt Power Private Limited, 2021 SCCOnline NCLT 11242.*

The Hon'ble NCLT, New Delhi Bench has observed that where an investor has all the precautionary measures available to them for safeguarding their interest as an Investor in the Corporate Debtor, and the Investor had explored the possibility of investing by taking calculated business risk, he would be treated as an 'Investor' and not a 'Financial Creditor' within the meaning of the definition contained in the IBC. Thus, where the Applicant can direct and oversee the entire corporate documentation of the investment decision in the Corporate Debtor, such debt cannot be classified as financial debt under Section 5(8) of the IBC

- vi. *Himalay Dassani v. M/s South East U P Power Transmission Company Ltd., 2017 SCCOnline NCLT 10456.*

The Hon'ble NCLT, Allahabad Bench, had to decide questions pertaining to the validity of the Settlement Agreement entered between the parties, wherein one of the parties alleged that such agreement is hit by the provisions of Section 16 of the Indian Contract Act, 1872. The Adjudicating Authority held that '*it is not proper for this court within scope of I&B Code to explore the truth behind such agreements as in our humble view such disputed facts need to be ascertained by issue involved therein can be dealt with only by a competent civil court.*'



5. In the present case, it is purported that the director of the Corporate Debtor, Mr. Rajesh Yadav, took the financial loan. Nevertheless, the loan amount was disbursed through the aforementioned agreements in the bank account belonging to the Corporate Debtor. Further, the First, Second and Third Tranche Agreements were backed by security through cheques from the Corporate Debtor's bank account. The Hon'ble Supreme Court of India, in the case of *Rustom Cavasjee Cooper v. Union of India, 1970 AIR 564*, held that a 'company registered under the Companies Act is a legal person, separate and distinct from its individual members.' However, such protection is not impenetrable, and upon lifting the Corporate Veil of the Respondent, it is seen through bank statements and disbursement receipts that the Financial Creditors transferred Rs. 170 Lakhs to the bank account of the Corporate Debtor for the financial loan. Thus, the Corporate Debtor had *prima facie* privity of contract with the Financial Creditors.
6. In the case at hand, the Corporate Debtor, in conformity with clause four of the Second Tranche Agreement, deposited the first five instalments as per the agreed payment schedule, and the same is annexed on Pages 37 – 40 of the Application. The contention of the Corporate Debtor that the contract is covered under the provisions of Section 32 of the Indian Contract Act, 1872, appears as an afterthought.



7. Both the parties to the agreement have acted in furtherance of *consensus ad idem*. As provided in the agreements entered between them, construction of the flats was not based upon the happening or non-happening of an event. The Corporate Debtor had all the control and monitoring over the loan amount for construction purposes. Therefore, as per the agreements, the loan was repayable after the expiration of a year and is validly enforceable under the law.
8. As per Section 5(8), financial debt is a debt along with interest which is disbursed against the consideration for the time value of money, and it may include any of the events enumerated in sub-clauses (a) to (i). Therefore, the first essential requirement of financial debt is that the debt should be disbursed against the consideration for the time value of money, which may include situations enumerated in various sub-clauses. In the matter of *Mr. Rajnish Jain v. Manoj Kumar Singh – I.R.P. & Ors., Company Appeal (AT) (Insolvency) No. 519 of 2020*, the Hon’ble NCLAT observed that –

“47. The Hon’ble Supreme Court, in the case of Pioneer Urban Land Infrastructure Vs. Union of India 2019 SCC Online Page 1055 has observed that; “The definition of ‘Financial Debt’ in Section 5(8) then goes on to state that a debt must be ‘disbursed’ against the consideration for the time value of money. In the present context, it is clear that the expression ‘disburse’ would refer to the fund transfer made by the Respondent No.3 to the Corporate Debtor for the particular purpose of funding, i.e. working capital. The expression ‘disburse’ refers to money, which has been paid against consideration for the time value of



money. In short, the disbursement must be money and must be against consideration for the time value of money, meaning thereby, the fact that such money is now no longer with the lender, but is with the borrower, who then utilises the money for the working capital requirement or any other purpose of the company. Thus, it is clear that the Respondent No.3 disbursed money in the form of fund transfer made towards the purpose of working capital of funding.”

Therefore, it is essential that for any transaction to be a Financial Debt, an element of consideration for the time value of money is very critical.

9. The treatment of the loan amount taken from the Applicants as a refundable security deposit does not absolve the Corporate Debtor from repaying its liability. A security deposit can be considered a Financial Debt depending on the facts and circumstances in which money was tendered. When the interest accompanies a security deposit, it partakes the definitions as provided in Section 5(8) of the Code. The list of the definitions/ explanations given under Section 5(8) of the Code is not exhaustive in nature but merely illustrative, as held in the case of *Dr. B.V.S. Lakshmi v. Geometrix Laser Solution Pvt. Ltd., Company Appeal (AT) (Insolvency) No. 38 of 2017.*

10. The Hon'ble NCLAT in *Sach Marketing Pvt. Ltd. v. Resolution Professional of Mount Shivalik Industries Ltd., Ms. Pratibha Khandelwal, Company Appeal (AT) (Insolvency) No. 180 of 2021* has squarely covered the issue and held that 'Security Deposit' carrying an interest would fall under the ambit of Section 5(8) of the Code. The relevant extract of the judgment is reproduced for ease of reference:



'22. The 'Corporate Debtor' had accepted the 'Security Deposit' from the Appellant and credited the interest for some time against such amounts for the period 2014-15, and bearing in mind the payment of interest on the amounts borrowed by the 'Corporate Debtor' is nothing but a consideration for the time value of money and the interest is being paid to the Appellant for using the money belonging to the Appellant over a period of time and hence we arrive at the conclusion that the status of Appellant is that of a Financial Creditor vis-à-vis the amount of 'Security Deposit' as per Section 5(7) read with Section 5(8) of the Code. We are of the considered view that the ratio of the Judgement of the Hon'ble Supreme Court in 'M/s. Orator Marketing Pvt. Ltd.' (Supra) is squarely applicable to the facts of this case and we hold that the 'debt' in question is a 'Financial Debt'.'

11. The contention raised by the Corporate Debtor is that there has been no actual disbursement of any amount for consideration for the time value of money; hence the alleged debt does not fall within the meaning of 'Financial Debt' as defined under section 5(8) of the IBC, 2016. On a keen examination of the application and perusal of the documents submitted by the Financial Creditor, it has been sufficiently established by the Financial Creditor that the nature of alleged advances was given for consideration for the time value of money.

12. The application filed in the prescribed Form No. 1 is complete.

13. The financial debt and further default in the debt payment should be established to initiate proceedings under Section 7 of the IBC. In the present matter, the loan provided by the Financial Creditor does fulfil the requirement of the consideration for time value. This Adjudicating



Authority perused all the relevant papers and found them in order. The Registered Office of Corporate Debtor is situated in Jaipur; therefore, this Adjudicating Authority has jurisdiction to entertain and try this application. The matter is within the limitation period as enunciated under the Law of Limitation, as the default date under the First Tranche Agreement is 26.07.2017, and the application was filed on 11.06.2020.

14. Upon a detailed consideration of the application and documents filed by the Applicant, it is apparent that the payment of the claim amount has been defaulted by the Corporate Debtor. Hence, this Adjudicating Authority is inclined to commence CIRP against the Corporate Debtor as envisaged under the provisions of IBC, 2016.

15. The Applicant has named one Mr. Vikas Rajvanshi with Registration No. IBBI/IPA-001/IP-P01886-C01/2016-17/10032, duly registered with the Insolvency and Bankruptcy Board of India, to be appointed as the Interim Resolution Professional ('IRP'). The Applicant has filed Consent in Form 2 under Insolvency and Bankruptcy Board of India (Application to Adjudicating Authority) Rules, 2016, stating that no disciplinary proceedings are pending against the named IRP. The credentials of the proposed IRP have been checked from the IBBI website, and nothing adverse is found on record. A copy of the Written Consent of the IRP is annexed as Annexure – H of the application.

16. Consequences of initiation of CIRP shall be inter-alia as follows:



- a. The Insolvency Resolution Professional proposed by the Applicants, Mr. Vikas Rajvanshi, is hereby appointed as the IRP to take over the affairs of the Corporate Debtor and duties as required to be performed by him under the provisions of IBC, 2016, including the issuance of publication in widely circulated Newspapers as contemplated under the provisions of IBC, 2016 and calling for claims from the creditors of Corporate Debtor and collation of the same shall be done.
- b. Further, as a sequel of admission, the moratorium, as envisaged under Section 14 of IBC, 2016, is invoked concerning the Corporate Debtor, which will be in vogue during the Corporate Insolvency Resolution Process of the Corporate Debtor. The IRP shall carry out CIRP strictly per the timelines specified and as envisaged under the provisions of IBC, 2016, concerning the Corporate Debtor.
- c. The said IRP shall act strictly in accordance with the provisions of IBC, 2016, and to defray his expenses to be incurred and fees on the account, the Applicant is directed to deposit a sum of Rs. 1,00,000/- (Rs. One Lakh Only) to the bank account of IRP within three days from the date of this Order. The IRP shall duly file a status report apprising this Adjudicating Authority about the progress of CIRP as unfolding in relation to the Corporate Debtor. This amount shall be proportionately contributed and reimbursed to the Applicant upon formation of the Committee of Creditors ('CoC').



- d. In terms of Sections 17 & 19 of IBC, 2016, all personnel of the Corporate Debtor, including promoters and the Board of Directors, whose powers shall stand suspended, shall extend all cooperation to the IRP during his tenure as such and the management of the affairs of the Corporate Debtor shall vest with the IRP.
- e. In terms of Section 7 of IBC, 2016, this Order shall be communicated at the earliest, not exceeding one week from today, to the Applicant, Corporate Debtor, and the IRP appointed by this Adjudicating Authority to carry out the CIRP. A copy of this Order shall also be communicated to IBBI for its records.
17. Accordingly, CP No. (IB) 99/7/JPR/2020 is admitted in the abovementioned circumstances.

DEEP
CHANDRA
JOSHI

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DEEP CHANDRA
JOSHI
Date: 2023.01.13
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DEEP CHANDRA JOSHI
JUDICIAL MEMBER

PRASANT
A KUMAR
MOHANTY

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PRASANTA
KUMAR MOHANTY
Date: 2023.01.13
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PRASANTA KUMAR MOHANTY
TECHNICAL MEMBER