

**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH
(Court No.II)
KOLKATA**

CP (IB) No.204/KB/2019

*A petition 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:

Kotak Mahindra Bank Limited

... Financial Creditor

Versus

Multiple Hotels Private Limited [CIN: U55101WB1998PTC087564] having its
registered office at 6, Milan Pally, Deshapriya Nagar, Belghoria, Kolkata – 700 056.

...Corporate Debtor

Order pronounced on: 29 December, 2022

Coram:

Shri Rohit Kapoor : **Member (Judicial)**

Shri Balraj Joshi : **Member (Technical)**

Appearances (via video conferencing/physical hearing):

For the Financial Creditor : Mr. Jishnu Saha,Sr.Adv.
Mr. Kuldip Mullick,Adv.
Mr. Pratik Ghose,Adv.
Mr. Avishek Roy Chowdhury,Adv.

For the Corporate Debtor : Mr. Ratnanko Banerjee,Sr. Adv.
Mr. Shaunak Mitra,Adv.
Mr. Niladri Bhattacharjee, Adv.
Mr. Soham Banerjee,Adv.
Mr. Shounak Chanda,Adv.

Mrs. Mandobi Choudhury, Adv.
Mr. Aditya Chaturvedi, Adv.
For Erstwhile RP : Mr. Saurav Jain, Adv.

ORDER

Per Rohit Kapoor, Member (Judicial)

1. This court convened *via* hybrid mode.
2. This is a Company Petition filed under section 7 of the Insolvency and Bankruptcy Code, 2016 (*'the Code'*) read with rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by Mr. Harish Kumar Acharya, Vice-President, Kotak Mahindra Bank Limited (*'Financial Creditor'*), duly authorised *vide* Resolution passed by circulation by the share transfer and other matters Committee (delegated) of Kotak Mahindra Bank Limited on 02 May, 2018¹, for initiation of Corporate Insolvency Resolution Process (*'CIRP'*) against Multiple Hotels Private Limited (*'Corporate Debtor'*).
3. The present Petition was filed on 08 January, 2019 before this Adjudicating Authority on the ground that the Corporate Debtor has defaulted in payment of Rs.21,60,18,331/- (Rupees Twenty One Crore Sixty Lakh Eighteen Thousand Three Hundred Thirty One only), including interest up to 30 November, 2018 towards outstanding loan (*'Loan'*).
4. Part – I of the Application contains the details of the Financial Creditor. It is submitted in the Petition, Part – II that the authorised share capital of the Corporate Debtor is Rs.10,00,000/- (Rupees Ten Lakh only) with paid-up capital as Rs.50,00,000/- (Rupees Fifty Lakh only). Part – III of the Application contains the details of the Interim Resolution Professional to be appointed. The details of transactions are mentioned in part – IV of the application along with documents.

¹ Page 459 - 460 of the Petition.

5. Submissions by the Ld. Counsel appearing on behalf of the Financial Creditor.

- 5.1 The Financial Creditor had sanctioned credit facilities of Rs.850 lacs to Multiple Educational and Manpower Development Trust (**'MEMDT'**). The said credit facility was granted on 05 November, 2012 [*Sanction letter at pages 09 – 22 of the Petition*].
- 5.2 The Financial Creditor had also sanctioned credit facilities of Rs.850 lakh and Rs. 300 lakh to Camellia Educare Trust (**'CET'**) and Camellia Educare Services Limited (**'CESL'**), respectively. The said credit facilities were granted on 05 November, 2012 and 27 September, 2012 [*Sanction letters at pages 03 – 48 of the Petition*].
- 5.3 However, the aforesaid borrowers i.e., MEMDT, CET and CESL (**'Borrowers'**) defaulted in the payment of the Credit Facilities. Several reminders/notices were also issued by the Financial Creditor to the said borrowers. The credit facilities advanced to the said borrowers were guaranteed by the Corporate Debtor.
- 5.4 Amount claimed in respect of the borrowers as on 30 November, 2018 are as follows:-

<i>SI No.</i>	<i>Name of the Borrower</i>	<i>Amount due and payable</i>
1.	MEMDT	102,242,696/-
2.	CET	89,568,512/-
3.	CESL	24,207,122/-
Total		216,018,331/-

6. Submissions by the Ld. Counsel appearing on behalf of the Corporate Debtor.

- 6.1 The Financial Creditor had advanced credit facilities to the borrowers, and accordingly, an Agreement dated 11 November, 2012 was executed between the borrowers and the Financial Creditor. In the same year i.e., on 30 November, 2012, the Corporate Debtor had executed a Corporate Guarantee Agreement in lieu of the said credit facilities. Out of the three borrowers, two of them are 'Trusts' (i.e., Multiple Educational and Manpower Development

- Trust and Camellia Educare Trust). However, all the three borrowers were engaged in the field of education.
- 6.2 The Credit Facilities were payable in equated monthly instalments, carrying an interest rate of 25% p.a., payable every 6 (Six) months. The first component of the loan was payable within a time period of 18 (Eighteen) months, ending 2014, while the other components were payable within 60 months.
- 6.3 The Borrowers were regular in making payments but the Financial Creditor failed to provide them with a statement of accounts and started raising frivolous disputes. Without responding to the requests of the Corporate Debtor to furnish a detailed statement, the Financial Creditor issued a notice under Section 13(2) of the SARFAESI ACT, 2002 dated 29 December, 2016 demanding an amount of Rs.14 Crores from the borrowers.
- 6.4 The Financial Creditor has completely suppressed the fact that till date they have received an amount of Rs.30 Crores. More particularly an amount in excess of Rs.9 Crores was paid by the Corporate Debtor from the alleged date of NPA till date.
- 6.5 The demand notice and other gross irregularities committed by the Financial Creditor was challenged by the Corporate Debtor before the Ld. Debt Recovery Tribunal – III, Kolkata under section 17 of SARFAESI Act, 2002, being S.A. No.360 of 2017. However, the said proceeding was disposed by the Ld. Debt Recovery Tribunal *vide* order dated 05 February, 2021. Being aggrieved by the said order, the Corporate Debtor has preferred an appeal before the Ld. Debt Recovery Appellate Tribunal, Kolkata. The said appeal has been admitted by the Ld. Debt Recovery Appellate Tribunal, Kolkata *vide* order dated 20 July, 2022, and is pending further adjudication.
- 6.6 Subsequently, the Financial Creditor preferred the present application under section 7 of the Code as mentioned above before the Adjudicating Authority and moved the same. It is pertinent to mention that the instant matter was listed as Ex-parte *vide* order dated 27 August, 2019, without intimation to the Corporate Debtor or its advocate. Eventually, *vide* order dated 04 October, 2019, CIRP was initiated against the Corporate Debtor.

- 6.7 A mere perusal of the documents on record it will show that the original borrowers are the two Trusts and moreover, the property of the said Trust are still under the possession of the Financial Creditor and the Financial Creditor has been receiving money on regular basis against the financial facilities extended which failed to find mention with the bank.
- 6.8 The notice under section 13(2) SARFAESI dated 29 December, 2016 alleges that the loan accounts were declared as non-performing assets in September, 2015 and the same has been alleged by the Financial Creditor itself and has been relied upon in all proceedings as the purported cause of action in its case. Thus, the purported right of the Financial Creditor to file proceedings under Section 7 of IBC in respect of the alleged defaults leading to the borrowers' being declared NPA at best (as per the Financial Creditor's case) could subsist only for a period of 3 years from the respective dates of alleged NPA viz. only upto September, 2018 by virtue of the law of Limitation.
- 6.9 Immediately thereafter, the suspended Director of the Corporate Debtor had filed an appeal under Section 61 of the Code before the Hon'ble National Company Law Appellate Tribunal challenging the order dated 04 October, 2019. The appeal was numbered as Company Appeal (AT) (Insolvency) 1138 of 2019. The appeal was ultimately allowed by a judgment and order dated 10 June, 2022. It will appear from an interim order dated 04 December, 2019 passed by Hon'ble NCLAT that the Corporate Debtor had given a proposal to settle the outstanding dues of the Financial Creditor bank and that the Hon'ble NCLAT had directed the bank to consider such proposal by excluding the penal interest over and above the normal interest payable.
- 6.10 The Financial Creditor has totally suppressed that the corporate debtor was not required to make payment as long as the borrowers were making payment to the bank. It is stated that the bank has indulged in reckless spending of public money and has been constantly availing the luxury of initiating frivolous litigations at the cost of public money only in order to satisfy its mala fide motives and vendetta pursued by its officers against the Corporate Debtor and other entities. The claims of the bank lack clarity and are inherently

contradictory and uncertain and that the Corporate Debtor has found five different calculations relied on in different forums in which the figures have increased and decreased in a manner that is logically impossible.

- 6.11 The Financial Creditor bank has given different and contradictory calculations of the purported defaulted outstanding amounts at different points in time and correspondence exchanged. Brief particulars in this regard are as follows: -

Amount in Demand Notice u/s 13 (2) SARFAESI – 29th December, 2016

Rs. 14,73,14,456/- (Fourteen Crore Seventy-Three Lakh Fourteen Thousand Four Hundred and Fifty-Six)

Amount in Possession Notice dated 27 July, 2017

Rs. 16,42,08,666.76/- (Sixteen Crore Forty-Two Lakh Eight Thousand Six Hundred SixtySix)

Amount in O.A. 189 of 2019

Rs. 10,40,88,199/- (Balance Outstanding - Rs. 8,79,16,306 /- Interest - Rs. 1,61,71,893 /-)

Amount in NCLT - C.P.(IB) No.204/KB/2019 (section 7 IBC)

Default amount Rs. 21,60,18,331/- (Twenty-One Crore Sixty Lakh Eighteen Thousand Three Hundred Thirty-One)

Amount in reply to Common OTS Proposal before the Learned DRT – III, Kolkata

Rs. 21,95,84,922/-

- 6.12 The aforesaid calculations of the Financial Creditor bank are discrepant, totally contradictory and also de-hors the terms and conditions of the credit facilities actually sanctioned in favor of the borrowers. In good faith and with a view to resolving the outstanding defaults once for and all, the borrowers had caused several without prejudice and confidential offers to be made to the Financial Creditor bank to settle the dues. Having regard to the categorical averment of the Financial Creditor bank in O.A. No.189 of 2019 filed before DRT against the borrowers and the Corporate Debtor, that as on 3rd February, 2019, an aggregate sum of Rs.10.41 crore was due, a one-time settlement offer was given to the bank on 14 January, 2019 whereby the said dues in entirety were

offered to be cleared within a stipulated time frame. However, the Financial Creditor had arbitrarily rejected such proposal by a letter dated 08 February, 2019.

- 6.13 Surprisingly, in a complete turnaround from the pleadings in the DRT application, the Financial Creditor bank in the 08 February, 2019 letter wrongly alleged that the total outstanding as on 29 January, 2019 was Rs. 21.95 crores. Such calculation is ex-facie baseless and incorrect as will appear, inter-alia, from the fact that not only has penal interest been levied but the principal amount which was shown to be Rs.8.79 crores in the DRT application has somehow stood increased to Rs.8.94 crores, which is an impossibility.
- 6.14 The borrowers have been interested to settle the disputes with the bank without prolonging the multiple litigations instituted in respect of the disputes regarding the credit facilities disbursed the Financial Creditor bank has arbitrarily and wrongfully scuttled all such attempts of settlement for reasons not clear to the Corporate Debtor. Had the bank been interested to maximize its realization, it ought to have given serious consideration and/or accepted the settlement proposals given by and/or at the instance of the applicant.
- 6.15 However, the intention of the Financial Creditor appears to harass and prejudice the rights of the Corporate Debtor and all entities which have borrowed monies from the bank and/or extended guarantees in respect thereof.
- 6.16 The Financial Creditor has indulged in forum shopping and multiplicity of proceedings for debt-recovery purpose, including the filing of the present application. The Financial Creditor has also tried to grab the management of the Trusts by filing a suit under the Indian Trust Act against the borrower Trusts before the Hon'ble High Court at Calcutta. However, the plea of the Financial Creditor was rejected by the Hon'ble High Court by an order dated 16 August, 2018.

7. *Rejoinder on behalf of the Financial Creditor*

- 7.1 It is denied that though the borrowers were regular in making payments, the Financial Creditor failed to provide them with a statement of accounts and started raising frivolous disputes on the order of satisfaction of the equated

monthly instalments. It is further denied that without responding to the requests of the corporate debtor/ Trusts to furnish a detailed statement the Financial Creditor with mala fide intention issued a notice under section 13(2) of the SARFAESI Act, 2002 dated 29th December, 2016 demanding an amount of Rs.14 crores (approx.) from the borrowers and the corporate guarantors. The alleged date of default as mentioned in the above said notice was on 28th September, 2015 and 29th September, 2015 for MEMDT and CET respectively . I state that the date of NPA was 28th September, 2015 for both the trusts and not 29th September for CET as stated in the opposition. It is further denied that such gross material facts have been suppressed in the said application as alleged or at all. I state that for adjudication of an application under section-7 the Financial Creditor need not make disclosures about other proceedings that the Financial Creditor is entitled to in law, and moreover, such issues raised by the corporate debtor/ Trusts has already been adjudicated against the trusts to which the corporate debtor/ Trusts was a guarantor and mortgagor. I State and submit that the issues raised by the corporate debtor/Trusts pertaining to SARFAESI has already been adjudicated against the trusts pertaining to which the corporate debtor/Trusts was a guarantor and mortgagor by the Learned Debts Recovery Tribunal-III, Kolkata on 5th February, 2021. An appeal challenging the said order of dismissal has been preferred before Hon'ble Debts Recovery Appellate Tribunal, Kolkata as Diary No. 310 of 2022.

- 7.2 In the instant case since the corporate debtor guaranteed trusts defaulted in making their payments on time the loan accounts became NPA and thereafter whatever amounts were paid by the said trusts on behalf of the Corporate Debtor the said amounts were first adjusted against interest to the tune of 36% penal interest which was a contractual rate as per contract and simple interest@ 25% were forgone with. Considering, the same the Financial Creditor did not even receive its principal amount and whatever amounts the corporate debtor /Trusts paid were adjusted against the penal interest.

- 7.3 It is denied that the Financial Creditor also tried to grab the management of the Trusts by filing a Suit under the Indian Trusts Act against the borrower Trusts before the Hon'ble High Court at Calcutta.
- 7.4 The Hon'ble NCLAT had categorically directed the Financial Creditor to consider the proposal of principal and interest while giving liberty to the Financial Creditor to ultimately accept or reject such proposal.
- 7.5 the penal interest is part and parcel of the contract which was signed by the corporate debtor/Trusts and the Financial Creditor, and the corporate debtor/Trusts cannot wriggle its way out of the same after defaulting in making payment of the principal sum due and outstanding. The Financial Creditor is liable to pay its depositors interest on the amounts which it has lent and advance to the corporate debtor/Trusts.
- 7.6 It is denied that the interest component alone sums up to a staggering annual 61% interest to be borne by the charitable trusts running educational institutes. I State and submit that the Corporate Debtor/Trusts was only required to pay penal interest @ 36% and not 61% as alleged by them. The simple interest was not charged on the account becoming NPA and only penal interest was charged by the Financial Creditor.
- 7.7 The Corporate Debtor/Trusts in garb of welfare of students cannot wriggle out from its commitments to the Financial Creditor. The promoters and trustees on the contrary are extremely affluent people who lead extravagant lives and can easily pay off the amount due and outstanding to the Financial Creditor as has been noticed in case of Camelia Educare Services Limited, wherein within 3 days they paid an amount of 2.60 crores to the Financial Creditor. It is denied that right from the beginning of alleged classification of the loan account as NPA till the present proceedings, the bank has failed to act in accordance with the statutory requirements which are mandatory in nature.
- 7.8 The loan account was validly declared as NPA and the same has been recorded by the Learned Debts Recovery Tribunal-1, Kolkata while dismissing their application under section -17.

Analysis and Findings

8. In view of the setting aside the order dated 04 October, 2019 by the Hon'ble NCLAT, the Resolution Professional was directed to handover all the documents and assets relating to the Corporate Debtor to the Board of Directors of the Corporate Debtor.
9. Corporate Debtor was afforded an opportunity to file reply and the same was filed by the Corporate Debtor. The matter was directed to be listed on 13 September, 2022. On 13 September, 2022, the Financial Creditor sought three days time to file Rejoinder. After pleading were complete the matter was heard and reserved for Orders.
10. Both the sides were granted to file brief notes of written submission, and the same was filed by both the parties. We have heard the Ld. Sr. Counsel appearing on behalf of the Financial Creditor and the Ld. Sr. Counsel appearing on behalf of the Corporate Debtor and perused the record.
11. On the issue of proceeding against the Corporate Guarantor, we rely on ***Laxmi Pat Surana v. Union Bank of India & Anr.*** [(2021) SCC OnLine SC 267]

“30. The expression “corporate debtor” is defined in Section 3(8) which applies to the Code as a whole. Whereas, expression “corporate guarantor” in Section 5(5A), applies only to Part II of the Code. Upon harmonious and purposive construction of the governing provisions, it is not possible to extricate the corporate person from the liability (of being a corporate debtor) arising on account of the guarantee given by it in respect of loan given to a person other than corporate person. The liability of the guarantor is coextensive with that of the principal borrower. The remedy under Section 7 is not for recovery of the amount, but is for reorganization and insolvency resolution of the corporate debtor who is not in a position to pay its debt and commits default in that regard. It is open to the corporate debtor to pay off the debt, which had become due and payable and is not paid by the principal borrower, to avoid the rigours of Chapter II of the Code in general and Section 7 in particular.

31. *In law, the status of the guarantor, who is a corporate person, metamorphoses into corporate debtor, the moment principal borrower (regardless of not being a corporate person) commits default in payment of debt which had become due and payable. Thus, action under Section 7 of the Code could be legitimately invoked even against a (corporate) guarantor being a corporate debtor. The definition of “corporate guarantor” in Section 5(5A) of the Code needs to be so understood.*

32. *A priori, we find no substance in the argument advanced before us that since the loan was offered to a proprietary firm (not a corporate person), action under Section 7 of the Code cannot be initiated against the corporate person even though it had offered guarantee in respect of that transaction. Whereas, upon default committed by the principal borrower, the liability of the company (corporate person), being the guarantor, instantly triggers the right of the financial creditor to proceed against the corporate person (being a corporate debtor). Hence, the first question stands answered against the appellant.”*

12. The Hon’ble Supreme Court in its decision in **Lalit Kumar Jain v. Union of India**² has allowed the creditors like banks and other financial service providers to proceed against personal guarantors including promoters, MDs, and Chairmen of the corporate debtor for recovery of corporate loans under the Code.
13. The question on initiation of CIRP against the Corporate Debtors and the Corporate Guarantor for the same set of debt obligations arising out of the same loan agreements under the ambit of the Code initially arose in the matter of **Dr. Vishnu Kumar Agarwal Vs M/s Piramal Enterprises Limited**¹ before the Hon’ble National Company Law Appellate Tribunal wherein the Hon’ble NCLAT observed that;

“There is no bar in the Insolvency and Bankruptcy Code, 2016 for filing simultaneously two applications under Section 7 against the

² (2021) 9 SCC 321

'Principal Borrower' as well as the 'Corporate Guarantor (s). However, once for the same set of claim application under Section 7 by the financial creditor is admitted against one 'Corporate Debtor' i.e. 'Principal Borrower' or 'Corporate Guarantor', second application by the same financial creditor for the same set of claim and default cannot be admitted against the other 'Corporate Debtor' i.e. 'Principal Borrower' or 'Corporate Guarantor'. Though there is no provision to file joint application under Section 7 of the Insolvency and Bankruptcy Code, 2016 by the Financial Creditors, no application can be filed by the Financial Creditor against two or more "Corporate Debtors" on the ground of joint liability ('Principal Borrower' and on 'Corporate Guarantor' or 'Principal Borrower' or two 'Corporate Guarantors' or one 'Corporate Guarantor' and other 'Corporate Guarantor' till it is shown that the 'Corporate Debtors' combinedly are joint venture company."

(Para 32 of the Judgment)

- 14.** Further, with respect to the issue that whether the pendency of proceedings under SARFAESI ACT, DRT and before PBPT, prohibits the Respondent/financial Creditor for initiation of Proceedings under IBC, 2016? In this regard it is necessary to say that Section 238 of Code, 2016 deal with provisions of the Code to override other laws and the said provision reads as under: *“The provisions of this Code shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law.”*
- 15.** *“In view of the above provision of law the financial Creditor/ Operational Creditor/Corporate Persons can file an application under Section 7 ,9 & 10 of the I & B Code, 2016 before the respective Adjudicating Authorities even though in respect of same any proceeding pending before other forums on the ground that the provisions of I & B Code, 2016 is overriding effect of other laws. In view of the aforesaid reasons the Appellant cannot take a stand that the proceedings are pending before DRT and PBPT and the application under*

Section 7 of the I & B Code, 2016 cannot be maintained does not merit. The application under Section 7 filed by the financial Creditor before the Adjudicating Authority is very well maintained. Accordingly, the point is answered against the Appellant.” [The National Company Law Appellate Tribunal ("NCLAT"), Chennai Bench - Company Appeal (AT) (CH) (Ins) No. 130 of 2022].

16. Further, as per the records before us, it is quite clear that there is admission of debt, because there are instances where the Corporate Debtor i.e., the Borrowers had proposed OTS to the Financial Creditors [**Page 104 of the Reply**]. Also, in the year i.e., on 30 November, 2012, the Corporate Debtor, herein, had executed a Corporate Guarantee Agreement in lieu of the said credit facilities advanced by the Financial Creditor to the borrowers [**Order dated 10 June, 2022 of the Hon'ble NCLAT at page 99 of the Reply**].
17. Further, in **The Bijnor Urban Cooperative Bank Limited, Bijnor and Ors. vs. Meenal Agarwal and Ors.**³ the Hon'ble Supreme Court has held that *‘the sum and substance of the aforesaid discussion would be that no writ of mandamus can be issued by the High Court in exercise of powers Under Article 226 of the Constitution of India, directing a financial institution/bank to positively grant the benefit of OTS to a borrower. The grant of benefit under the OTS is always subject to the eligibility criteria mentioned under the OTS Scheme and the guidelines issued from time to time. If the bank/financial institution is of the opinion that the loanee has the capacity to make the payment and/or that the bank/financial institution is able to recover the entire loan amount even by auctioning the mortgaged property/secured property, either from the loanee and/or guarantor, the bank would be justified in refusing to grant the benefit under the OTS Scheme. Ultimately, such a decision should be left to the commercial wisdom of the bank whose amount is involved and it is always to be presumed that the financial institution/bank shall take a prudent decision whether to grant the benefit or not under the OTS Scheme, having regard to*

³ Civil Appeal No. 7411 of 2021

the public interest involved and having regard to the factors which are narrated hereinabove.

- 18.** In the above facts and circumstances, it can be construed that these instances ticks all the checkboxes as envisaged under section 5(7), section 5(8) read with section 7 of the Code for a debt to fall within the ambit of a 'Financial Debt'. Furthermore, the agreement dated 28 September, 2012 entered between the parties and the undertaking executed by the Corporate Debtor clearly unearths the nature of transaction entered between the Financial Creditor and the Corporate Debtor.
- 19.** Hence, the present petition made by the Financial Creditor is complete in all respects as required by law. The Petition establishes that the Corporate Debtor is in default of a debt due and payable and that the default is more than the minimum amount stipulated under section 4 (1) of the Code, stipulated at the relevant point of time
- 20.** It is, hereby ordered as follows:-
- (a) The application bearing ***CP (IB) No. 204/KB/2019*** filed by Kotak Mahindra Bank Limited, the Financial Creditor, under section 7 of the Code read with rule 4(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating CIRP against Multiple Hotels Private Limited, the Corporate Debtor, is ***admitted***.
 - (b) There shall be a moratorium under section 14 of the IBC.
 - (c) The moratorium shall have effect from the date of this order till the completion of the CIRP or until this Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Debtor under section 33 of the IBC, as the case may be.
 - (d) Public announcement of the CIRP shall be made immediately as specified under section 13 of the Code read with regulation 6 of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

- (e) **Mr. Narasimha Rao venkata Lakshmi Turlapati**, registration number **IBBI/IPA-002/IP-N00204/2017-18/10658**, email : **omnelawsolutions@gmail.com**, is hereby appointed as Interim Resolution Professional (IRP) of the Corporate Debtor to carry out the functions as per the Code subject to submission of a valid Authorisation of Assignment in terms of regulation 7A of the Insolvency and Bankruptcy Board of India (Insolvency Professional) Regulations, 2016. The fee payable to IRP or the RP, as the case may be, shall be compliant with such Regulations, Circulars and Directions as may be issued by the Insolvency & Bankruptcy Board of India (IBBI). The IRP shall carry out his functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the Code.
- (f) During the CIRP period, the management of the Corporate Debtor shall vest in the IRP or the RP, as the case may be, in terms of section 17 of the IBC. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP within one week from the date of receipt of this Order, in default of which coercive steps will follow. No separate notice for cooperation by the suspended management should be expected.
- (g) The IRP/RP shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- (h) The Financial Creditor shall deposit a sum of **Rs.5,00,000/- (Rupees Five Lakh only)** with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of Creditors (CoC).
- (i) In terms of section 7(5)(a) of the Code, Court Officer of this Court is hereby directed to communicate this Order to the Financial Creditor, the Corporate Debtor and the IRP by Speed Post and email immediately, and in any case, not later than two days from the date of this Order.

- (j) Additionally, the Financial Creditor shall serve a copy of this Order on the IRP and on the Registrar of Companies, West Bengal, Kolkata by all available means for updating the Master Data of the Corporate Debtor. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Court within seven days from the date of receipt of a copy of this order.
21. **CP (IB) No. 204/KB/2019** to come up on **01 February, 2023** for filing the periodical report
22. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Balraj Joshi
Member (Technical)

Rohit Kapoor
Member (Judicial)

The order is pronounced on 29th day of December, 2022

SA [LRA]