



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
SPECIAL BENCH – II, CHENNAI**

CP(IB)/124(CHE)/2023

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

In the matter of **LOKAA DEVELOPERS PRIVATE LIMITED**

- 1. Mrs. V.RAJALAKSHMI,**
3/6, Venkateswara Colony,
10th Street, Madhavaram Milk Colony,
Chennai - 600 051.
- 2. Mr. S. THIAGHARAJAN,**
S/o Mr.T.Sekar,
No.101, Block - A1, Prince Village - 1,
Ellaya Street, Tondiarpet,
Chennai - 600 081.
- 3. Mr. E. SURESH RAJ,**
S/o Mr.K.C. Elumalai,
No.35/17, Kalavai Street,
Chindadripet,
Chennai - 600 002.
- 4. Mr. RAGHUNANDAVISWANATHAN & Mrs. B. SRIVIDYA,**
No.8A/13, Chinnaya New Colony,
First Cross Street, Perambur,
Chennai - 600 011.
- 5. Mr. SURESH GAJENDRAN AND Mrs. KALAI SELVI SURESH,**
No.1. Navamani Ganendran Illam,
7th Cross Street, Prakash Nagar Extn,
Ponnammanmedu,
Chennai - 600 110.



6. Mr. S. NOWSHATH AND Mrs. S. SHAFIUNNISA BEGUM,
B2/36, 3rd Floor, Sindhur Green Park Apartment,
1st Main Road, Jayachandran Nagar,
Chennai - 600 100.

7. Mr. Y.R. BALAJI,
S/o Mr.Y.P.Ramachandran,
No.W-294, C Sector,
18th Street, Anna Nagar West Extension,
Chennai - 600 101.

8. Mr. A. OMAR SHERIFF,
S/o Mr. Abdul Salam,
New No.26, Old No.22,
Mootaikaran Street, Mannady,
Chennai - 600 001.

9. Mr. DINESH KUMAR SELVAM,
S/o Mr. G. Selvam,
No.36/27, Vivek Nagar,
Kolathur, Chennai - 600 099.

10. Mr. T.J. DAYALAN and Mrs. D. RAMA,
Flat No.1332, NPL Anjil Apartments,
No.264, MTH Road, Villivakkam,
Chennai - 600 049.

11. Mr. K. RAVI,
S/o Mr. Kaliappan,
No.10, Venkateswara Colony,
10th Street, Madhavaram Milk Colony,
Chennai - 600 051.

12. Mr. R. SHANKAR and Mrs. T. GEETHA LAKSHMI,
S 12/2, NCTPS Staff Quarters,
Vallur Camp, NCTPS post,
Chennai - 600 120.



- 13. Mr. R. SRI KUMAR AND Mrs. A. E. DEVAKUMARI,**
AF 1, Alfa Twins Apts,
No.6, Nehru Street,
Choolaimedu High Road,
Chennai - 600 094.
- 14. Mr. C. ANIL KUMAR AND Mrs. SREEJA DEVI,**
House 287/6, Belly Area,
Anna Nagar, Chennai - 600 040.
- 15. Mr. R. ETHIRAJ AND Mrs. E. RAJESWARI,**
No.22/16, 3rd Street, Jothi Nagar,
Thiruvottiyur, Chennai - 600 019.
- 16. Mr. K. BALADANDAPANI AND Mrs. B. VIJAYAKUMARI,**
Old No.8, New No.22, Elango Adigal Street,
Padmanabha Nagar, Choolaimedu,
Chennai - 600 094.
- 17. Mr. SETHU RAJESH AND Mrs. THELMA RAJESH,**
130/1, Bharathi Colony,
7th Avenue, Anna Nagar West,
Chennai - 600 040.
- 18. Mrs. K. SUGANYA AND Mr. SUGUMMAR G**
No.4/9, Senguttuvan Street,
Ponni Nagar, Karambakkam, Porur,
Chennai - 600 116.
- 19. Mr. ZACHARIAH THOMAS AND Mrs. JEENA ZACHARIAH,**
No.8B, Aishwarya Flats,
Jayaram Nagar, Kolathur,
Chennai - 600 099.
- 20. Mr. RAHUL THOMAS AND Mrs. KRISHAPRIYA
RAJASEKARAN,**
F2, K C Udhayam Apartments,
Bhavani Nagar, Kolathur,
Chennai - 600 099.



21. Mr. M. MAHENDRA KUAMR,

S/o Mr.P. Manickam,
B1, Victoria Block, R.C. West Minister,
No.46, Kamaraj Salai, Kodungaiyur,
Chennai - 600 118.

22. Dr. G. RAJKUMAR AND Dr. V. SHANMUGAPRIYA,

No.603, Maple Block, Orchid Springs,
Water Canal Road, North Korattur,
Chennai – 600 076

23. Mr. V. BALAKUMAR AND Mrs. B. LATHA,

D 84, Phase 1, Kalga Township,
Mallapur, P.O. Uttarkanada, Karwar,
Karnataka - 581 400.

24. Mr. GANESH BHASKARAN,

S/o C M Bhaskaran,
19/1, Somasundaram, 6th Street,
Ayanavaram, Chennai - 600 023.

25. Mr. SUBRAMANIAN KANNAN,

S/o K. Subramanian,
453, Jai Maa Apartments,
Plot No.16, Sector-5, Dwarka,
New Delhi - 110 075.

26. Mr. SYED SURIJ SHANAVAZ AND Mrs. NAZIA SULTANA,

O.No.7/286, N.No.5/339, 1st Cross Street,
Agastheeswara Nagar, Polichalur,
Chennai - 600 074.

... Applicants/Financial Creditors

-Vs-

M/S LOKAA DEVELOPER PRIVATE LIMITED,

No.14, 2nd Main Road,
Kannappan Nagar Extension,
Thiruvanmiyur, Chennai - 600 041.

...Respondent / Corporate Debtor



Order Pronounced on 07th June 2024

CORAM

Shri. JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)
Shri. RAVICHANDRAN RAMASAMY, MEMBER
(TECHNICAL)

Present:-

For Financial Creditor :Mr. Rajkumar Jhabhak, Advocate
Ms.Ragha Sudha, Advocate
For Corporate Debtor :Mr.Hitesh Singhvi, Advocate
Ramya Subramaniam, Advocate

ORDER

This Application has been filed by Mrs. V. Rajalakshmi & 25 Ors (hereinafter referred to as the Financial Creditor) under Section 7 of the Insolvency and Bankruptcy Code, 2016 seeking to initiate Corporate Insolvency Process against Lokaa Developer Private Limited (hereinafter referred to as the Corporate Debtor.)

2. Part-I of the Application states that the Applicants are individual home buyers in the project viz. "M One Project" developed by the Corporate Debtor.

3. Part -II of the Application states that the Corporate Debtor is a Limited Company incorporated on 02.09.2011. The Registered Office of the Corporate Debtor is at No.14, 2nd Main Road, Kannapan Nagar Extn. Thiruvanmyur, Chennai – 600 041.



4. In Part III of the Application the Applicants have proposed Mr. Ramakrishnan Sadasivan, Resolution Professional bearing Reg No. IBBI/IPA-001/IP-P00108/2017-18/10215 to act as Interim Resolution Professional.

5. Part-IV of the Application states that the Total Amount Disbursed is Rs.22,66,54,253.00/- which comprises the amount disbursed by all of the Applicants on various dates between July 2016 and June 2022. The date of default is mentioned as 04.09.2022.

6. In Part-V of the application the following documents have referred to substantiate the debt disbursed to the Corporate Debtor.

- a) Letter of Authorisation.
- b) Sample Allotment letter dated 11.11.2018.
- c) Sample Agreement of sale dated 23.11.2018
- d) Sample Construction Agreement dated 23.11.2018
- e) Project details of the Corporate Debtor filed with RERA
- f) Proof for disbursement of amount on various dates
- g) Minutes of the meeting dated 22.09.2021, 29.08.2022 held
between the management of the Corporate Debtor and the
homebuyers



h) Record of Default issued by the Information Utility.

7. It is submitted that the Applicants herein are homebuyers/allottees of the Residential Apartments in the real estate project developed by the Corporate Debtor under the name and style of "M One" located at Madhavaram, Chennai. The Real Estate Project promoted by the Corporate Debtor consists of 234 dwelling units. The present application has been filed by 26 allottees which are more than 10% of the total allottees and the application meets the requisite threshold prescribed under Section 7 of Insolvency and Bankruptcy Code, 2016.

8. It is stated that the Applicants based on various advertisements put up by the Corporate Debtor entered into Sale and Construction Agreements for the construction of flats/apartments. The Project was to be completed and the apartments were to be delivered to the allottees by the Corporate Debtor within the time prescribed in the agreement. However, the Corporate Debtor failed to hand over the possession of the flats within the period prescribed in the construction agreement and there has been a huge delay in the construction and delivering the possession of the apartments.



9. It is submitted that all the Applicants have remitted more than 95% of the consideration. Remaining amount is to be paid only when the flats are to be handed over to the Applicants. But, the Corporate Debtor has failed to hand over the flats to the Applicants on time and nearly 25% of the project is yet to be completed.

10. It is stated that various meetings were held between the Applicants and the Management of the Corporate Debtor wherein several assurances were made by the Corporate Debtor regarding completion of the project. In the meeting held on 22.09.2021, the Corporate Debtor assured to hand over the flats by 31.03.2022, but the Corporate Debtor failed to adhere to its assurance. Thereafter, the Applicants demanded the Corporate Debtor to give back the PDCs along with the agreement documents on or before 04.09.2022, which was agreed by the Corporate Debtor but again it failed to do so. Aggrieved by the inaction of the Corporate Debtor, the Applicants preferred this application to initiate CIRP against the Corporate Debtor.

11. The Corporate Debtor in its reply submitted that the Financial Creditors have taken 04.09.2022 as the date of default on the basis that the Respondent failed to hand over the PDC Financial Creditors before



that date. It is stated that non deliverance of the PDCs does not amount default as per Section 3(12) of the IBC, 2016 unless such term is expressly prescribed in the agreement entered into between the Financial Creditors and the Corporate Debtor.

12. The Corporate Debtor alleges that the aggregate debt is not Rs.22,66,54,253.00/- or the amount was not disbursed spanning from July 2016 to June 2022 and the date of default is not 04.09.2022. It is stated that the Financial Creditors have assumed the alleged date of default as 04.09.2022 based on failure of the Respondent to issue PDCs to the Financial Creditors in terms of the Minutes of Meeting dated 29.08.2022. It is further stated that the assumption of date of default is in contravention of provisions of the IBC, 2016. It is stated that the date of default in the NeSL appears to be 05.09.2022, so there is variation in the date of default mentioned in the Application.

13. It is submitted that the PDCs is merely a security instrument and not a financial debt therefore, there is no debt which is due and thus there is no default. In support of this argument, the Corporate Debtor relied on the judgment of Hon'ble Supreme Court in the case of *Indus Airways Pvt. Ltd. And Ors Vs. Magnum Aviation Pvt. Ltd. And Ors.*

(2014 SCC OnLine SC305)



14. It is stated that this application projects that default has occurred due to the failure of Respondent to issue PDCs. Non-Issuance of PDCs cannot be a financial debt under Section 5(8). The Respondent further stated that the condition for issuing PDCs in the minutes of the meeting is not a binding contract between the parties.

15. It is stated that Section 5(8) of IBC, 2016 provides a restricted ambit for transactions to qualify as a financial debt focusing on disbursement against consideration for the time value for money. In this case the Financial Creditors allege that the default arose due to non-delivery of PDCs which is not covered under the definition of Financial Debt under IBC. The transaction is a mere security arrangement between the parties which was subsequently given up by them.

16. It is stated that clause 5(b)(3)(ii) of the Construction Agreement entered into between the Parties, states that in the event of default subject to the force majeure clause, which is not rectified by the 'Promoter'/ Respondent, the Allottee can invoke termination clause in the Agreement. The relevant clause is extracted as follows:

"The ALLOTTEE shall have the option of terminating the Agreement in which case the PROMOTER shall be liable to refund the entire money paid by the ALLOTTEE under any head whatsoever towards the



purchase of the Apartment, along with interest at the rate specified in the Rules within 45 days of receiving the termination notice, simultaneous to the execution of cancellation agreement and registration thereof, if required Provided that where an ALLOTTEE does not intend to withdraw from the project or terminate the Agreement, he/ she shall be paid, by the PROMOTER, interest at the rate specified in the Rules, for every month of delay till the handing over of the possession of the Apartment.”

In the said Construction Agreement, the default would have arisen only when the Financial Creditors had chosen to terminate the contract. But, here the Financial Creditors have chosen the second option i.e. not to terminate the contract but have claimed entitlement to interest for every month of delay. Therefore, there is no default which could have entitled the Financial Creditors to file the present Application.

17. It is further stated that the Corporate Debtor is a solvent company. The delay in delivery of flats is not because of it. It is because of the Allottees who have failed to pay approximately Rs.13.5 Crore due and payable to the Respondent. Further, only 15% work is remaining in the Project. In support of its contention, the Respondent



relied on the Judgment of Hon'ble NCLAT in *Indus Biotech Vs. Kotak India Venture (2021 SCC OnLine SC 268)* wherein it was held as under,

“from the material available on record that the situation is not yet ripe to call it a default, that too if it is satisfied that it is a profit making company ... The consequence of which could be the dismissal of the petition under section 7 of IB code.”

The Corporate Debtor has thus sought for dismissal of this application.

18. In the Rejoinder, the Applicants denied the submissions of the Corporate Debtor and alleged that there are double sales in the property and diversions of fund to the Corporate Debtor.

19. Heard the submissions of Ld. Counsels of both the parties and perused the documents on record. Section 5(8) and Section 7(1) of IBC, 2016 read as under,

“Section 5(8):

...

(f) any amount raised under any other transaction, including any forward sale or purchase agreement, having the commercial effect of a borrowing;

[Explanation. -For the purposes of this sub-clause,-

(i) any amount raised from an allottee under a real estate project shall be deemed to be an amount having the commercial effect of a borrowing; and

(ii) the expressions, “allottee” and “real estate project” shall have the meanings respectively assigned to them in clauses (d) and (zn) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (16 of 2016);]”



Section 7: Initiation of corporate insolvency resolution process by financial creditor.

7. (1) A financial creditor either by itself or jointly with ¹[other financial creditors, or any other person on behalf of the financial creditor, as may be notified by the Central Government] may file³ an application for initiating corporate insolvency resolution process against a corporate debtor⁴ before the Adjudicating Authority when a default has occurred.

Provided that for the financial creditors, referred to in clauses (a) and (b) of sub-section (6A) of section 21, an application for initiating corporate insolvency resolution process against the corporate debtor shall be filed jointly by not less than one hundred of such creditors in the same class or not less than ten per cent. of the total number of such creditors in the same class, whichever is less:

The Corporate Debtor has not denied that the Applicants are the allottees. Section 5(8) explains that the money raised from the allottee be deemed to be an amount having the commercial effect of a borrowing. Be that as it may, the agreement of Corporate Debtor to issue PDCs to the Applicants was to ensure the commitment with the Applicants and it will not alter the nature of the debt.

20. It is not denied by the Corporate Debtor that the total number of the allotments in the project is 234 units. This application has been jointly filed by 26 allottees which are more than 10% of the total allottees and hence it satisfies the threshold prescribed in Section 7(1)(a). In so far as the issue regarding two different date of default is



concerned we see that in the application it is mentioned as 04.09.2022 and in the Record of Default it is recorded as 05.09.2022, whereas, both dates fall well within the limitation.

21. It is seen that in Annexure 1 (VII) at pages 96 to 129 of the application, the Applicants have enclosed their flat-wise payment receipts for the amount remitted to the Corporate Debtor. On going through the minutes of the meeting dated 29.08.2022 held between the Applicants and the Corporate Debtor, it is noticed that the homebuyers were not convinced with the Lokaa Management's answer regarding handing over of flats. Further, the homebuyers had demanded the Corporate Debtor to give PDCs (post-dated cheques) along with the agreement document on 04.09.2022 and the Corporate Debtor had agreed to the same.

22. In the course of the hearing on 21.11.2023, this Tribunal had directed the Corporate Debtor to file a status report of the project. Complying the same, the Corporate Debtor vide memo dated 20.12.2023 filed a detailed status report of the project wherein the Corporate Debtor submitted that 85% of the project has been completed and 13.5 crore is due from other flat owners.



23. On 23.01.2024, this Tribunal directed the Corporate Debtor to file the schedule for completion of the project with a clear timeline. In turn, the Corporate Debtor filed an affidavit dated 13.02.2024 detailing the work completion schedule of the project.

24. Thereafter, the Applicants filed a memo dated 27.20.2024 and stated that the aforesaid schedule for completion was discussed in the meeting convened with the members of the association of the Homebuyers of the 'M One' project on 18.02.2024, wherein 78 Flat Owners who all attended the meeting unanimously voted in favour of proceeding with this application. Further, 54 members who did not attend the meeting also conveyed their approval to proceed with this application. An extract of the resolution passed in the said meeting is reproduced below,

“RESOLVED THAT the consent of M One Flat Owners Association be and hereby in given to agree for admission of M/s.Lokaa Developers Private Limited into Corporate Insolvency Resolution Process, having filed a petition for admission of M/s.Lokaa Developers Private Limited under Section 7 of IBC by 26 representative flat buyers of the project on behalf of M One Flat Owners Association”

25. In view of the above, we find that the majority of the homebuyers have lost faith in the management of the Corporate Debtor. Further they unanimously agreed to proceed with initiating



CIRP against the Corporate Debtor. In addition to that, the Applicants have filed the updated Record of Default (RoD) from the Information Utility, which is in the status of 'deemed to be authenticated' and an extract of the same is reproduced below,



FORM D
RECORD OF DEFAULT(RoD)

(Issued By information utility under sub-regulation (4) of regulation 21 of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017)

This Record of Default is issued to the Financial Creditor M/s RAJALAKSHMI VARDARAJAN in respect of the default of debt as per details given below-

(a) Name of the Submitter: M/s V RAJALAKSHMI
(b) Schedule-2 Bank (Y/N): N
(c) Name of Corporate Debtor: M/s LOKAA DEVELOPER PRIVATE LIMITED
(d) Unique Debt Identifier Number: ACPV7687P_FLAT NO 910, LOKAA M ONE
(e) Registered Address: N.A
(f) Total Outstanding Amount: 10056205.00
(g) Default Amount: 10056205.00
(h) Date of Default: 05-09-2022
(i) Status of Authentication of Default: DEEMED TO BE AUTHENTICATED

Filing of Default(Submission ID No.)	Submitted on	Status of Authentication(Authenticated/Disputed/Deemed to be authenticated)	Authentication completed on
(1)	27-04-2023 21:56:14	*DEEMED TO BE AUTHENTICATED Colour Code :YELLOW	30-05-2023 07:37:07

NeSL is authorized to issue this record of default and has accordingly affixed its digital signature, as per the provisions of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, Guidelines for Technical Standards for Performance of Core Services and Other Services and the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2017.



26. Reading the above we see that the homebuyers with the requisite majority are unanimous in initiating CIRP against the Corporate Debtor. The Record of Default establishes the existence of debt and default by the Corporate Debtor and the default amount of 1st Financial Creditor itself is above Rs.1 crore.

27. Hon'ble Supreme Court in the case of *M/S. Innoventive Industries Ltd vs ICICI Bank & Anr.*, [(2018) 1 SCC 407] has held as under:-

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

28. It is clear that from the above discussions, that there is debt and it was defaulted by the Corporate Debtor. The judgment supra also mandates to initiate CIRP when there is clear proof from the Information Utility. We therefore **admit** this application and order for



initiation of Corporate Insolvency Resolution Process against the Corporate Debtor.

29. The Financial Creditor has proposed the name of **Mr.Ramakrishnan Sadasivan**, having **Reg. No. IBBI/IPA-001/IP-P00108/2017-18/10215** Email ID: **sadasivanr@gmail.com** as the Interim Resolution Professional (“IRP”) who has also filed his consent in Form – 2 and also upon verification from the IBBI website, it is seen that the said person hold valid Authorization for Assignment till **04.10.2024**. **Mr.Ramakrishnan Sadasivan** is appointed as the IRP and is directed to take charge of the Corporate Debtor’s management immediately. The IRP is also directed to cause public announcement as prescribed under Section 15 of the IBC, 2016 within three days from the date the copy of this Order is received, and call for submissions of claim by the creditors in the manner as prescribed under Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

30. As a consequence of the Application being admitted in terms of Section 7 of the Code, moratorium as envisaged under provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor;



- a. The institution of suits or continuation of pending suits or proceedings against the respondent including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
- b. Transferring, encumbering, alienating or disposing of by the respondent any of its assets or any legal right or beneficial interest therein;
- c. Any action to foreclose, recover or enforce any security interest created by the respondent in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- d. The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the respondent.

Explanation.-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance 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 or a similar grant or right during moratorium period;

31. However, during the pendency of moratorium period in terms of Section 14(2) and 14(3) as extracted hereunder;

(2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

(3) The provisions of sub-section (1) shall not apply to

(a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;



- (b) a surety in a contract of guarantee to a corporate debtor.

32. The duration of period of moratorium shall be as provided in Section 14(4) of the Code which is reproduced below for ready reference;

- (4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.

33. The IRP is directed to take charge of the Corporate Debtor's management immediately. The IRP is also directed to cause public announcement as prescribed under Section 15 of the IBC, 2016 within three days from the date the copy of this Order is received, and call for submissions of claim by the creditors in the manner as prescribed under Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

34. The IRP appointed shall take in this regard such other and further steps as are required under the Statute, more specifically in



terms of Section 15, 17, 18 of the IBC, 2016 and file his report within 30 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

35. The IRP shall comply with the provisions of Sections 13(2), 15, 17 & 18 of the Code. The Directors of the Corporate Debtor, its Promoters or any person associated with the management of the Corporate Debtor are/is directed to extend all assistance and cooperation to the IRP as stipulated under Section 19 of IBC, 2016 for the purpose of discharging his functions under Section 20 of IBC, 2016.

36. The IRP shall take custody of the records of information relating to the assets, finances and operations of the Corporate Debtor referred in clause (a) of section 18 and such other information required under regulation 36; and also the assets recorded in the balance sheet of the Corporate Debtor or in any other records referred in clause (f) of section 18 of IBC, 2016 and the personnel of the Corporate Debtor, its promoters or any other person associated with the management of the Corporate Debtor shall provide to the IRP, the list of assets in terms of Regulation 3A of the IBBI (Insolvency Resolution Process of Corporate Persons) Regulations, 2016.

37. The IRP shall conduct the Corporate Insolvency Resolution Process in respect of the Corporate Debtor as stipulated under Chapter VIII of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.



38. Based on the above terms, the Petition stands admitted in terms of Section 7 of the Code and the Moratorium shall come into effect as of this date. A copy of the Order shall be communicated to the Financial Creditor as well as to the Corporate Debtor above named by the Registry. In addition, a copy of the Order shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named shall also be furnished with copy of this Order forthwith by the Registry, who will communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

39. Accordingly, **CP(IB)/124(CHE)/2023** stands **admitted**.

Sd/-

RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

Sd/-

SANJIV JAIN
(MEMBER (JUDICIAL))

Order Pronounced under Rule 151 of NCLT Rules 2016, by Hon'ble Technical Member, Ravichandran Ramasamy on behalf of the Special Bench Comprising of Shri Sanjiv Jain, Member (Judicial) and Shri Ravichandran Ramasamy, Member (Technical).

Sd/-

Court Officer