IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV

CP (IB) No.544/MB-IV/2021
Under Section 7 of the I&B Code, 2016

In the matter of:
State Bank of India
[TAN: MUMB14834B]
…Financial Creditor/Applicant
V/s
SND Limited
[CIN: U40300MH2011PLC215684]
...Corporate Debtor/Respondent

Order Dated: 29.09.2022

Coram:

Mr. Manoj Kumar Dubey
Hon'ble Member (Technical)

Mr. Kishore Vemulapalli
Hon'ble Member (Judicial)

Appearances (via videoconferencing):

For the Petitioner(s)	:	Ms. Fatema Kachwalla, Advocate.
For the Respondent(s)	:	Mr. Pulkit Sharma, Advocate.

ORDER

Per: Kishore Vemulapalli, Member (Judicial)

1. This is an application being C.P. (IB) No. 544/MB/C-IV/2021 filed by State Bank of India, the Financial Creditor/Applicant, under section 7 of Insolvency & Bankruptcy Code, 2016 (I&B Code) against SND

Limited, Corporate Debtor, for initiating Corporate Insolvency Resolution Process (CIRP).

2. The Application is filed by Mr. Narayan Panda, Assistant General Manager of the Financial Creditor, claiming total default of Rs.177,37,02,868.74/- (Rupees one hundred seventy-seven crore thirty-seven lakh two thousand eight hundred sixty-eight and seventy-four paise only) as on 31.01.2021 which includes:

   Principal outstanding of Rs.1,46,55,22,442.73/- and

   Interest and Penal Interest of Rs.31,16,52,618.05/-.

3. The Date of Default is 05.09.2019 as given in the NeSL Report dated 28.09.2021. The date of NPA is 05.12.2019. The Petition is filed on 13.05.2021.

4. The case of the Financial Creditor is as under:

   <u>Term Loan:</u>

   a) The Financial Creditor has sanctioned the total amount of Rs.178,00,00,000/- (Rupees one hundred seventy-eight crore only) to the Corporate Debtor.

   b) Vide Memorandum of Agreement dated 25.02.2013, the Financial Creditor granted a Term Loan of Rs.80,00,00,000/- (Rupees eighty crore only) to the Corporate Debtor. The Term Loan was repayable in 40 instalments for varying amounts, until the year 2024-2025. This was also confirmed by a Letter Regarding the Grant of Individual Limits Within the Term Loan Limits dated 25.02.2013.

c) The Term Loan was revised vide First Supplemental Term Loan Consortium Agreement dated 10.07.2013. Consequently, the Term Loan limit provided by the Financial Creditor to the Corporate Debtor was revised to Rs.75,00,00,000/- (Rupees seventy-five crore only). There was a Consortium Bank which had granted Term Loan to the Corporate Debtor and the Financial Creditor was the lead Bank of this Consortium.

Working Capital:

d) Vide a Memorandum of Agreement dated 01.03.2013, the Financial Creditor granted the Corporate Debtor a Working Capital Credit Facility for an amount not exceeding Rs.78,75,00,000/- (Rupees seventy-eight crore seventy-five lakh only). This was also confirmed by a Letter Regarding the Grant of Individual Limits Within the Working Capital Limits dated 01.03.2013.

e) Subsequently, a First Supplemental Working Capital Consortium Agreement dated 13.05.2013, was executed between the Financial Creditor and Corporate Debtor. However, the Working Capital limit provided by the Financial Creditor to Corporate Debtor remained unchanged at Rs.78,75,00,000/- (Rupees seventy-eight crore seventy-five lakh only). There was a Consortium of Banks which had granted the Corporate Debtor Working Capital Facilities and the Financial Creditor was the lead Bank of this Consortium.

f) The details of disbursement and re-payment of Term Loan and Working Capital is as under:

Facility	**Date of Disbursement**	**Amount of Disbursement (in Crore)**	**Date of Repayment**

Cash Credit	11.05.2012 Onwards	53.00	It is running account. Number of debit and credit entries are in the account. Final outstanding is Rs.85.09 cr.
Term Loan 1	22.05.2013 19.01.2015	15.00 5.00	Interest has been applied on monthly basis and paid by the borrower as and when applied. Principal-Rs.8.55 cr. on various dates.
Term Loan 2	27.02.2013 15.05.2013 18.10.2014 08.01.2015 05.05.2015	40.00 20.00 5.00 5.00 5.00	Interest has been applied on monthly basis and paid by the borrower as and when applied. Principal-Rs.25.00 cr. on various dates.

5. The Financial Creditor has issued Demand Notice dated 01.10.2020 claiming a sum of Rs.166,40,63,441.95/- (Rupees one hundred sixty-six crore forty lakh sixty-three thousand four hundred forty-one and ninety-five paise only)

6. The Financial Creditor has submitted the NeSL Report dated 28.09.2021 showing the default amount Rs.85,41,44,407.80/- (Rupees eighty-five crore forty-one lakh forty-four thousand four hundred seven and eighty paise only) and the Date of Default as 05.09.2019 which is at pp 12-18 as Annexure '1' of the Re-joinder filed by the Financial Creditor. Further, the Report is also reflecting the date of last repayment as 02.07.2020 for amount of Rs.31,84,179.04 (Rupees thirty-one crore eighty-four lakh one hundred seventy-nine and four paise only). The Financial Creditor has also filed the Certificate dated 10.05.2021 under section 2A (a) of the Banker's Book of Evidence Act, 1891.

7. The Corporate Debtor has filed its Affidavit in Reply dated 29.03.2022 and submits as under:

   a) The Petition filed by the Financial Creditor is barred by the limitation. The Financial Creditor has admittedly stated that a total amount of Rs.178,00,00,000/- was sanctioned by the Financial Creditor, out of which the Financial Creditor claims to have disbursed to the Corporate Debtor only a sum of Rs.95,00,00,000/-. It is the case of Financial Creditor that the said amount to the tune Rs.178,00,00,000/- was to be disbursed under three Term Loan Agreements dated 25.02.2013, 25.02.2013 and 10.07.2013 respectively, along with three working capital arrangement dated 01.03.2013, 01.03.2013 and 13.03.2013 respectively. The Financial Creditor itself has admitted that the Financial Creditor has defaulted in disbursing monies to the Corporate Debtor way back in the year 2015 and therefore, if any default has occurred, the cause of action for the same arose way back in May 2015.

   b) The documents filed to the Petition as Annexure IA to IF are not executed document insofar as the same are not stamped as per the appropriate provisions of the Stamp Act.

   c) To support the contentions of limitation the Corporate Debtor has relied upon the Hon'ble Supreme Court Judgment in *B.K. Educational Services (P) Ltd. v. Parag Gupta & Associates – (2019) 11 SCC 633*.

   d) The Financial Creditor as a member of consortium had agreed and sanctioned to grant the Term Loan Facility to the tune of Rs.210,00,00,000/-, but only disbursed Rs.95,00,00,000/- as per the First Supplemental Term Loan Consortium Agreement.

e) The Corporate Debtor is making every attempt to recover the money/dues from the MSEDCL. An Agreement dated 23.02.2011 was entered between the Corporate Debtor and MSEDCL for retail sale and purchase of electricity in franchise area through distribution franchise from 01.05.2011. MSEDCL terminated the agreement on 08.09.2019 arbitrarily and illegally which resulted into financial difficulties of the Corporate Debtor. A sum of Rs.10,56,90,00,000/- is due and payable by the MSEDCL and the Corporate Debtor is doing its best to recover the amount.

f) By a letter dated 14.03.2022, the Corporate Debtor informed the Financial Creditor about the status of claims submitted by the Corporate Debtor that there is no financial debt due and payable to the Financial Creditor. The Financial Creditor failed to show any default on the part of Corporate Debtor.

8. The Corporate Debtor has filed Additional Affidavit-in-Reply dated 05.05.2022 and submits as under:

A. <u>Term Loan I of Rs.20 Crore:</u>

a) As per the Term Loan Agreement dated 25.02.2013 and the Working Capital Agreement dated 01.03.2013, the Financial Creditor has sanctioned 153.27 crore to the Corporate Debtor. As per the submissions of the Financial Creditor the Financial Creditor has disbursed additional Rs.15 crore to the Corporate Debtor on 22.05.2013 and Rs.5 crore on 19.01.2015. There are no documents to substantiate the disbursement of such amount and the claim made by the Financial Creditor under the Term Loan I in not maintainable and it cannot claim an amount under the said facility from the Corporate Debtor.

B. Term Loan II of Rs.75 Crore:

a) As per the Second Schedule of the First Supplemental Term Loan Consortium Agreement dated 10.07.2013, the Corporate Debtor was required to repay the alleged principal amounts of the Credit Facility as under:

"Repayment Schedule: 40 Quarterly Instalments

Moratorium – 26 months from date of 1st disbursement.

Repayment will commence from 27th month from the date of 1st disbursement which is as follows:

F.Y.	**No.**	**SBI**		
		Inst amount	**Total Repay**	**Repayment %**
		(Rs.)	(Rs. In crore)	
2015-16	4.00	0.375	1.50	2.00
2016-17	4.00	0.375	1.50	2.00
2017-18	4.00	1.474	5.895	7.86
2018-19	4.00	2.411	9.645	12.86
2019-20	4.00	2.411	9.645	12.86
2020-21	4.00	2.411	9.645	12.86
2021-22	4.00	1.406	5.625	7.50
2022-23	4.00	2.211	8.845	11.79
2023-24	4.00	2.411	9.645	12.86
2024-25	3.00	3.264	13.058	13.41
Total	**40.00**	**-**	**75.00**	**100.00**

b) The Financial Creditor failed to disburse the entire amount of Rs.75 crore immediately as agreed by it in the First Supplemental Term Loan Consortium Agreement and has disbursed the sanctioned amount in various tranches in following ways:

Facility	Date of Disbursement	Amount of Disbursement (Rs. in Crore)
Term Loan of Rs.75 crore	27.02.2013	40.00
	15.05.2013	20.00
	18.10.2013	5.00
	08.01.2014	5.00
	08.01.2015	5.00
	05.05.2015	5.00

c) Being a moratorium on the Term Loan, the repayment could not have started from June 2015 onwards for tranches mentioned above since the entire amount was not disbursed in accordance with the agreed terms.

d) The Financial Creditor has wrongfully charged interest on the Term Loan 2 of Rs.75,00,00,000/- from 31.03.2013 onwards. As per the clear terms of the Supplemental Term Loan Consortium Agreement, the interest was applicable on the disbursed amount only after the moratorium period of 26 months ended.

9. The Financial Creditor has filed Affidavit of Re-joinder dated 04.05.2022 and submits as under:

a) The Corporate Debtor has given the Balance Confirmation Certificates for the time period from 31.03.2014 upto 31.03.2019. The account of the Corporate Debtor was declared as NPA on account of default in payment. Consequently, the invocation notice dated 1.10.2020 (Annexure 1 (H) to the Petition) was issued calling upon the Corporate Debtor to make good its default, which the Corporate Debtor failed to make.

b) The Financial Creditor states that the defaults have not occurred since 2015. The Financial Creditor has clearly specified under the Petition that the account was declared as a Non-performing Asset on 05.12.2019. The present Petition was filed on 13.05.2021. By virtue of which the present Petition is certainly not barred by the laws of Limitation.

c) it has been held in several cases that admission of the Petition u/s 7 of the Code cannot be stalled in due to the curable defect of the document being insufficiently stamped. in light of the decision of this Hon'ble Tribunal in *Manglam Vanjiya Private Limited Vs. Reward Business Solutions Private Limited* wherein the Hon'ble Tribunal was pleased to conclude: *"However, the Bench also opines that admission of the said petition under section 7 of the Code cannot be stalled in due to the curable defect of the document being insufficiently stamped."*

d) To support the above contentions the Financial Creditor has relied upon *Spice Jet Limited Vs. Credit Suisse AG and Classic Diamonds (India) Limited Vs. ICICI Bank Limited*.

e) The Corporate Debtor alleged that the Financial Creditor disbursed only Rs.95 crores, how would the amount claimed be around Rs.145 crores. The facilities under Term Loan and Working Capital have been advanced by the Financial Creditor under a consortium arrangement with other banks. Due to the merger of State Bank of Patiala with the Financial Creditor, the limits of the Financial Creditor and State of Bank of Patiala treated as limits sanctioned by the Financial Creditor. The same was conveyed vide Arrangement letter dated 30.03.2019 which was accepted by the Principal Borrower and guarantors including the Corporate Debtor.

f) In its reply the Corporate Debtor has admitted that it has been facing financial difficulty and is taking every possible step to recover the amount due from the Maharashtra State Electricity Distribution Company Limited (MSEDCL) and pay the debts of the Financial Creditor.

10. The Financial Creditor has filed its Written Submissions dated 25.07.2022 and submits as under:

a) The Corporate Debtor failed to make payments under the Facilities from the year 2019 onwards. As a result, an event of default occurred on 05.09.2019 and the account of the Corporate Debtor declared NPA on 05.12.2019.

b) It is the submission of the Corporate Debtor that since the notice calling upon the Corporate Debtor to make repayment of debt was issued on 01.10.2020, the Petition is barred under section 10A of the Code.

c) Section 10-A of the Code was brought in to force to create a bar on initiation of proceedings in relation to defaults committed on or after 25.03.2020 for a period of six months which can be extended up to one year. In the present case, the Date of Default is 05.09.2019 and hence the present Petition deserves to be admitted.

11. The Corporate Debtor has filed its Written Submissions dated 26.07.2022 and submits as under:

a) Date of Default for the Corporate Debtor is 8th October 2020:

i. The Financial Creditor vide notice dated 1st October 2020 has recalled a sum of Rs. 166,40,63,441.95 (Rupees one hundred and sixty-six crores forty lakhs sixty-three thousand four hundred and forty-one and ninety-five paise only) due and payable to it within 7 days from the date of receipt of the recall notice.

ii. It is pertinent to note that in clause 11 of the said recall notice, the Financial Creditor has categorically stated that "*due to various breaches committed by the by you (Corporate Debtor) of the terms and conditions of the various agreements and other documents. In the circumstances, our clients i.e. the Financial Creditor have now become entitled to recall the entire loan amount of the aforesaid credit facilities alongwith interest and other charges due in respect thereof.*" Therefore, the Date of Default has to be 08.10.2020 i.e. 7 days after the notice dated 01.10.2020 when for the first time the Corporate Debtor was intimated of the default.

b) No petition shall ever be filed against a default which occurred during 25th March 2020 to 24th March 2021:

i. From the bare perusal of the section 10A of the Code, it is clear that no petition shall ever lie against a default which has occurred on or after 25th March 2020 to 24th March 2021 which is affirmed by the Hon'ble Supreme Court of India in para no. 28 and 29 in its judgement of *Ramesh*

Kymal V. Siemens Gamesa Renewable Power (P) Ltd., (2021) 3 SCC 224: (2021) 2 SCC (Civ) 65: 2021 SCC Online SC 72.

ii. The Financial Creditor has therefore suppressed the date of default in the Petition. The Petition filed by the Financial Creditor squarely falls within the cut-off date as per section 10A of the Code and therefore not maintainable.

c) <u>The Authorized Officer is not authorized to file the present Petition under IBC:</u>

i. The Authorized Officer of the Petitioner has relied upon a Gazette Notification dated 02.05.1987 to file the present Petition. The same is annexed at Annexure-I of the Petition. The said Gazette Notification does not empower Mr. Narayan Panda to file the Petition against the Corporate Debtor. Mr. Narayan Panda is not a proper authorized person as required under rule 2(6) of NCLT rules read with Section 432 and 176 of the Companies Act 1956 to affirm the Petition and hence, the present Company Petition/Form-I is not maintainable.

d) <u>Once a set of claims has been admitted against the Principal Borrower and Corporate Guarantor then the second application on the basis of the same claims cannot be filed:</u>

i. Pan India Networks Limited was a Corporate Guarantor to the loans availed by the Corporate Debtor. The said Guarantor i.e. Pan India Network Limited is undergoing

Liquidation and the Financial Creditor has filed its claim before the Liquidator of Pan India Network Limited which has been admitted by the Liquidator.

ii. Therefore, the Financial Creditor could not have filed the present Company Petition against the Corporate Debtor on the basis of the same alleged claim.

iii. Hon'ble NCLAT in the case between *Dr. Vishnu Kumar Agarwal Vs. Piramal Enterprises Ltd. 2019 SCC Online NCLAT 542 (relevant paras 32 and 33)* had occasion to deal with the similar issue wherein it has observed in para 32 and 33 of the Judgment that once for same set of claim application under Section 7 filed by the 'Financial Creditor' is admitted against one of the 'Corporate Debtor' ('Principal Borrower' or 'Corporate Guarantor(s)'), second application by the same 'Financial Creditor' for same set of claim and default cannot be admitted against the other 'Corporate Debtor' (the 'Corporate Guarantor(s)' or the 'Principal Borrower'). Therefore, on the basis of the above settled proposition the Company Petition filed against the present Corporate Debtor is not maintainable.

e) <u>There is no acknowledgement of debt by the Corporate Debtor:</u>

i. Balance Confirmation Certificate cannot be used as an acknowledgement of debt, as it is required to be stamped in accordance with Article 1(1) of the Maharashtra Stamp Act, 1958 to be used as an Acknowledgement of Debt. The

Balance Confirmation letters do not have the Common seal of the Corporate Debtor and neither it states who has signed the same. There is no board resolution of the Corporate Debtor annexed to the Petition to substantiate that the loan documents and balance Confirmation Certificate has been signed by the authorized officer of the Corporate Debtor.

Findings:

12. We have heard the arguments of the Learned Counsel for both the parties and perused the records.

13. It is observed by the Bench that the Financial Creditor had sanctioned the Term Loan Facility and the Working Capital of Rs. 178,00,00,000/- (Rupees one hundred seventy-eight crore only) to the Corporate Debtor out of which Rs. 95,00,00,000/- (Rupees ninety-five crore only) was disbursed on 05.05.2015. The loan was granted under the First Supplemental Term Loan Consortium Agreement dated 10.07.2013 and the First Supplemental Working Capital Consortium Agreement dated 13.03.2013.

14. The Corporate Debtor has taken following defences against the Financial Creditor:

    i. With respect to the Limitation:

    The Corporate Debtor contended that the Petition filed by the Financial Creditor is time barred and not maintainable as the default is occurred in May 2015. It is observed by the Bench that the as per the NeSL Report filed by the Financial Creditor, the Date of Default is reflecting as 05.09.2019. Even if we consider the Default occurred in May 2015, the Corporate Debtor has acknowledged its liability in the Balance Sheets for the period of 31.03.2014 to 31.03.2019, i.e. for each year. Hence, from the perusal of the above observations, this Bench finds that the Petition filed by the Financial Creditor is well within limitation.

ii. With respect to the default occurred in Section 10-A period:

The Corporate Debtor has contended that the Financial Creditor has issued Notice on 01.10.2020 calling upon the Corporate Debtor to make repayment of debt. Hence, the Corporate Debtor is of the view that the Date of Default has to be 08.10.2020 i.e. 7 days after the notice dated 01.10.2020 when for the first time the Corporate Debtor was intimated of the default. To understand the provisions of Section 10-A of the Code, it is necessary to discuss the provisions in detail. Section 10-A is as under:

"Section 10A: Suspension of initiation of corporate insolvency resolution process:

10A. Notwithstanding anything contained in sections 7, 9 and 10, no application for initiation of corporate insolvency resolution process of a corporate debtor shall be filed, for any default arising on or after 25th March, 2020 for a period of six months or such further period, not exceeding one year from such date, as may be notified in this behalf:

Provided that no application shall ever be filed for initiation of corporate insolvency resolution process of a corporate debtor for the said default occurring during the said period.

Explanation. – *For the removal of doubts, it is hereby clarified that the provisions of this section shall not apply to any default committed under the said sections before 25th March, 2020."*

From the perusal of section 10-A, it is observed that the Petition under section 7 shall not be filed when the default has occurred between the period mentioned above. It is observed by the Bench that the Date of Default is clearly mentioned as 05.09.2019 in the NeSL Report filed by the Financial Creditor. Hence, the contentions of the Corporate Debtor cannot be considered.

iii. With respect to same set of claims cannot be filed against Principal Borrower and Corporate Guarantor:

15. It is settled law that the Financial Creditor can file Insolvency Petition against both the Principal Borrower as well as the Corporate Guarantor. This was confirmed by the Hon'ble Supreme Court in *Laxmi Pat Surana V. Union of India.* The issue was whether an action under section 7 of the Code can be initiated by the Financial Creditor against a Corporate Person concerning Guarantee offered by it in respect of a loan account of the Principal Borrower, who had committed default and is not a "Corporate Person" within the meaning of IBC? The observations of the Hon'ble Supreme Court is as under:

"23. Indubitably, a right or cause of action would enure to the lenders (financial creditor) to proceed against the principal

borrower, as well as the guarantor in equal measure in case they commit default in repayment of the amount of debt acting jointly and severally. It would still be a case of default committed by the guarantor itself, if and when the principal borrower fails to discharge his obligation in respect of amount of debt. For, the obligation of the guarantor is coextensive and coterminous with that of the principal borrower to defray the debt, as predicated in Section 128 of the Contract Act. As a consequence of such default, the status of the guarantor metamorphoses into a debtor or a corporate debtor if it happens to be a corporate person, within the meaning of Section 3(8) IBC. For, as aforesaid, the expression "default" has also been defined in Section 3 (12) IBC to man non-payment of debt when whole or any part or the "corporate debtor" within the meaning of Section 3 (8) IBC.

The Hon'ble Supreme Court further stated that:

"29. Notable, the expression "corporate guarantee" is not defined in the Code. Whereas, the expression "corporate guarantor" is defined in Section 5 (5-A) IBC. If the legislature intended to exclude a corporate person offering guarantee in respect of a loan secured by a person not being a corporate person, from the expression "corporate debtor" occurring in Section 7, it would have so provided in the Code [at least when Section 5 (5-A) came to be inserted defining the expression "corporate guarantor"]. It was also open to the legislature to amend Section 7 IBC and replace the expression "corporate debtor" by a suitable expression. It could have even amended Section 3 (8) to exclude liability arising from a guarantee given for the loan account of an entity not being a corporate person. Similarly, it could have also

amended the expression 'financial debt' in Section 5(8) IBC, "claim" in Section 3 (6), "debt" in Section 3 (11) and "default" in Section 3(12). There is no indication to that effect in the contemporaneous legislative changes brought about."

"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 IBC could be legitimately invoked even against a (corporate) guarantor being a corporate debtor. The definition of "corporate guarantor" in Section 5 (5-A) IBC needs to be so understood."

16. The Corporate Debtor has unequivocally admitted that the because of dues pending from MSEDCL, the Corporate Debtor is unable to pay the debt of the Corporate Debtor. Further, the Corporate Debtor has neither denied the liability nor denied the loan facility availed by the Financial Creditor. The Corporate Debtor is disputing the claim amount under the Petition. The Adjudicating Authority cannot figure out the exact amount of default. It is the Resolution Professional who finds out the outstanding payable to the Financial Creditor. As far as the debt amount is beyond the threshold limit *i.e.* Rs.1,00,00,000/- which is due and payable by the Corporate Debtor to the Financial Creditor, the Adjudicating Authority is inclined to admit the Petition filed by the Financial Creditor.

17. Hence, this Bench is of considered view that the Corporate Debtor is taking lame excuses with respect to the documents not properly stamped by the Financial Creditor and Petition is time barred. Hence, this Bench finds the present Petition is filed well within limitation.

18. After perusal of the material on record, this Bench is of considered view that the there is no reason to deny the Petition under section 7 filed by the Financial Creditor to initiate the CIRP against the Corporate Debtor as the Corporate Debtor itself has admitted its liability.

19. On perusal of the documents submitted by the Applicant, it is clear that financial debt amounting to more than Rs.1,00,00,000/- (Rupees One Crore Only) is due and payable by the Corporate Debtor to the Applicant. There is a default by the Corporate Debtor in payment of debt amount. Therefore, we do not have any objection on record against the application filed for initiation of CIRP against the corporate debtor. Hence, the Application filed by the Financial Creditor is liable to be admitted.

20. The application is complete and has been filed under the proper form. The debt amount is more than Rupees One Crore and default of the Corporate Debtor has been established.

21. The Applicant has proposed the name of Mr. Asish Narayan, a registered insolvency professional having Registration Number [IBBI/IPA-002/IP-N00444/2017-18/11274] as Interim Resolution Professional, to carry out the functions as mentioned under I&B Code and has also given his declaration that no disciplinary proceedings are pending against him.

ORDER

This Application being C.P. (IB) No. 544/NCLT/MB/C-IV/2021 filed under Section 7 of I&B Code, 2016, filed by State Bank of India**,** Financial Creditor/ Applicant against SND Limited, Corporate Debtor for initiating Corporate Insolvency Resolution Process is **admitted**. We further declare moratorium u/s 14 of I&B Code with consequential directions as mentioned below:

I. That this Bench as a result of this prohibits:

   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 off 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 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 possession of the corporate debtor.

II. That the supply of essential goods or services to the corporate debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.

III. That the provisions of sub-section (1) of Section 14 of I&B Code shall not apply to

   a. such transaction agreements or the 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.

IV. That the order of moratorium shall have effect from the date of this order till the completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of section 31 of I&B Code or passes an order for the liquidation of the corporate debtor under section 33 of I&B Code, as the case may be.

V. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of I&B Code.

VI. That this Bench appoints Mr. Asish Narayan, a registered insolvency professional having Registration Number [IBBI/IPA-002/IP-N00444/2017-18/11274], as Interim Resolution Professional to carry out the functions as mentioned under I&B Code, the fee payable to IRP/RP shall comply with the IBBI Regulations/Circulars/Directions issued in this regard.

e) 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).

f) A copy of this Order be sent to the Registrar of Companies, Maharashtra, Mumbai, for updating the Master Data of the Corporate Debtor.

g) The Registry is directed to immediately communicate this order to the Financial Creditor, the Corporate Debtor and the Interim Resolution Professional even by way of Speed Post or Email or Whats App.

Sd/-	Sd/-
Manoj Kumar Dubey Member (Technical) 29.09.2022	Kishore Vemulapalli Member (Judicial)