

**NATIONAL COMPANY LAW TRIBUNAL
CUTTACK BENCH
CP (IB) No.45/CB/2023**

(An Application under Section 9 of the Insolvency and Bankruptcy Code, 2016, read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.)

In the Matter of:

**DAGA POWER SYSTEMS & ENGINEERS PRIVATE LIMITED
(CIN: U40105WB2003PTC095634)**

32 Ezra Street, Room No. 505, 5th Floor,
Kolkata, West Bengal- 700001.

**..... APPLICANT/OPERATIONAL CREDITOR
Vs.**

**ASB ENERGY SYSTEMS AND CONSTRUCTION PRIVATE LIMITED
(CIN: U45209OR2019PTC031451)**

Plot No. 111, Saheed Nagar, Khordha,
Bhubaneswar, Odisha- 751007.

..... RESPONDENT/CORPORATE DEBTOR

DATE OF PRONOUNCEMENT: 15.10.2025

**CORAM: DEEP CHANDRA JOSHI, MEMBER (JUDICIAL)
BANWARI LAL MEENA, MEMBER (TECHNICAL)**

APPEARANCE:

FOR APPLICANT: MR. SHO VAN GHOSH, ADVOCATE

FOR RESPONDENT: MR. GOPINATH NAYAK, PCS

ORDER

PER: BANWARI LAL MEENA, MEMBER (TECHNICAL)

1. This present Application has been filed by **Daga Power Systems & Engineers Private Limited** (hereinafter “**Operational Creditor/Applicant**”) under Section 9 of Insolvency and Bankruptcy Code, 2016 (hereinafter “**IBC/the Code**”) read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter “**Adjudicating Authority Rules**”) to initiate Corporate Insolvency Resolution Process against **ASB Energy Systems and Construction Private Limited** (hereinafter “**Corporate**”).

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Debtor/Respondent") for a default of **Rs. 3,19,92,738/-** (Three Crore Nineteen Lakhs Ninety-Two Thousand Seven Hundred Thirty-Eight Rupees) along with interest of **Rs. 1,08,77,531/-** (One Crore Eight Lakhs Seventy-Seven Thousand Five Hundred Thirty-One Rupees) as on 30.10.2021.

2. The averments made by the applicant in his application are as follows:

2.1. The Corporate Debtor was duly incorporated on 05.08.2019, under the provisions of the Companies Act, 2013, and is engaged, inter alia, in the business of providing turnkey solutions for the construction and establishment of power generation plants, as well as power transmission and distribution systems.

2.2. The Corporate Debtor had earlier been carrying on business as a partnership firm under the name and style of **M/s. S.B. Electro Structural**, from its office situated at Plot No. 605, Rasulgarh, Bhubaneswar – 751010, Odisha, India. It is further submitted that, subsequent to the incorporation of the Corporate Debtor on 05.08.2019, the Corporate Debtor took over the business and assets of the erstwhile partnership firm **M/s. S.B. Electro Structural** pursuant to a Takeover Agreement dated 16.08.2019, as a result of which the partnership firm stood subsumed into the Corporate Debtor.

2.3. The erstwhile partnership firm, namely **M/s. S.B. Electro Structural**, and the Operational Creditor had entered into a Joint Venture Agreement dated 15.02.2018, for the purpose of jointly bidding for the work relating to Engineering, Supply, Erection, and Commissioning of KV Lines to be floated by Orissa Power Corporation Limited, under Package Works No. Sr. G.M.-CPCTENDER-PACKAGE 10/2017-18, in order to jointly meet the qualification criteria as a Tenderer.

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2.4. Subsequently, *M/s. S.B. Electro Structural* and the Operational Creditor had jointly submitted their bid before Orissa Power Transmission Corporation Limited for the work relating to Engineering, Supply, Erection, and Commissioning of KV Lines. Pursuant thereto, a Work Order bearing No. SG.M-CPC-I-e_tender-Constn132 KV Line RTSS (PKG-10/2017-18)-51/2017/4366, valuing Rs. 32,40,50,554.87/-, was jointly issued in their favour on 20.08.2018, for the Engineering, Supply, Erection, and Commissioning of three-phase 132 KV lines on an “EPC/Turnkey Contract Basis” in the State of Odisha, as per the work order issued by Orissa Power Transmission Corporation Limited.

2.5. Thereafter, *M/s. S.B. Electro Structural* and the Operational Creditor had jointly executed an Internal Agreement dated 04.01.2019, delineating their respective rights, scope of work, and liabilities within the Joint Venture to ensure the smooth execution of the project. It is further stated that, as per the said agreement, it was unambiguously agreed between the parties that the Operational Creditor would be responsible solely for the execution of the supply component of the Work Order, excluding the Tower Structure and any liabilities arising therefrom, and would be entitled to 60% of the net profit of the Joint Venture.

2.6. In the meantime, the Corporate Debtor had taken over all the business, assets, and liabilities of *M/s. S.B. Electro Structural* by executing a Takeover Agreement dated 16.08.2019, pursuant to which *M/s. S.B. Electro Structural* was subsumed into the Corporate Debtor.

2.7. Pursuant to the Work Order issued by Orissa Power Transmission Corporation Limited, the Operational Creditor had delivered the required consignments, including, *inter alia*, structures (PA, PB, PC, OC type towers), porcelain long rod insulators, mid-span joints, repair sleeves, bird guards along with other accessories, in accordance with the project specifications, for

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and on behalf of the Corporate Debtor. The said consignments were duly sold, supplied, and delivered on good faith between 30.04.2019 to 30.10.2021, at the designated work sites of Orissa Power Corporation Limited. It is further submitted that, to the best understanding of the Operational Creditor, neither the Corporate Debtor nor Orissa Power Corporation Limited raised any objection regarding the quality or quantity of the goods supplied by the Operational Creditor.

2.8. The Operational Creditor has stated that all invoices for the goods supplied were raised upon the Corporate Debtor and were correspondingly reflected in the respective GST Returns of both the Operational Creditor and the Corporate Debtor. It is noted that the Corporate Debtor had fully availed of the GST Input Tax Credit in its GST Returns, which, according to the Operational Creditor, demonstrates beyond any doubt that the goods supplied were duly accepted by the Corporate Debtor and Orissa Power Corporation Limited without any objection raised to date.

2.9. The Operational Creditor submitted that on 11.02.2020, *M/s. S.B. Electro Structural (now CD i.e. ASB Energy Systems And Construction Private Limited)* and the Operational Creditor had jointly executed the First Addendum to their Internal Agreement dated 04.01.2019, in order to further clarify the modalities of their operations within the aforesaid Joint Venture, particularly with regard to the payability clauses, which corresponded with Clause 7 of the Work Order dated 20.08.2018. It is observed that, as per Clauses 2 and 3 of the First Addendum, it was unambiguously agreed between the parties that *M/s. S.B. Electro Structural* would clear all payments due to the Operational Creditor for the supply components from Orissa Power Corporation Limited within a reasonable period after receipt of payment from Orissa Power Corporation Limited. The Operational Creditor further submitted that as per terms of Clause 7 of the Work Order dated 20.08.2018,

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payments to the Joint Venture Entity were scheduled to be released by Orissa Power Corporation Limited in a staggered manner: 60% of the invoice value plus tax upon completion of supply of the respective components; 20% of the invoice value plus tax upon completion of installation and commissioning of such components; 10% of the invoice value plus tax upon successful commissioning and takeover of the entire project; and the remaining 10% of the invoice value plus tax upon successful erection, installation, and commissioning of the entire work in accordance with the work order.

2.10. The Operational Creditor further stated that Orissa Power Corporation Limited, by its letter dated 17.03.2020, recognized the change of name of the erstwhile partnership firm *M/s. S.B. Electro Structural* to the present Corporate Debtor, thereby acknowledging the Takeover Agreement dated 16.08.2019, and according to the Operational Creditor, Orissa Power Corporation Limited had cleared all payments due for the supply of components, whereas the Corporate Debtor was withholding the legitimate outstanding dues, allegedly to secure a marginal gain and be unjustly enriched at the expense of the Operational Creditor.

2.11. The Corporate Debtor failed to fulfil its legal obligations by not releasing payment for the aforementioned invoices in favour of the Operational Creditor, despite repeated reminders. It is observed that the last invoice was raised by the Operational Creditor on 30.10.2021, whereas the last payment made by the Corporate Debtor to the Operational Creditor was on 04.06.2022.

2.12. The Operational Creditor stated that, despite repeated requests and demands, the Respondent had failed to settle the outstanding dues. Therefore, a demand notice under Section 8(1) of the Code was issued on 31.03.2023 to the respondent, but no reply has been furnished by the respondent despite service of the

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Section 8 (1) notice upon the respondent on 03.04.2023.
(Annexure-M)

3. The respondent in its reply dated 02.03.2024, filed before this Tribunal, has contended as under:

3.1. The Respondent submitted that, as per Clause 5 of the Contract Agreement dated 04.01.2019, the profit was agreed to be distributed in the ratio of 40% to the Respondent and 60% to the Applicant, and that such distribution could take place only upon completion of the project. It was further submitted that, since the project has not yet been completed, the Operational Creditor is not entitled to claim its share of profit at this stage.

3.2. The Respondent submitted that it had contributed a sum of Rs. 5,86,758/- towards the insurance cost of the entire project, which, in accordance with Clause 3.3 of the Contract Agreement dated 04.01.2019 executed between the Operational Creditor and the Corporate Debtor, was to be taken into account while computing the profit sharing between the parties.

3.3. The Respondent submitted that, in accordance with Clause 3.1.1 of the Contract Agreement dated 04.01.2019, it had paid a sum of Rs. 1,30,00,000/- towards statutory fees, storage, and client liaisons, which amount was to be contributed by the Operational Creditor on a pro-rata basis. However, it was contended that the Operational Creditor has not contributed any amount towards the said expenditure till date, even though 90% of the project has been completed as per the work order issued by Orissa Power Transmission Corporation Limited.

3.4. The Respondent submitted that, in accordance with Clause 7 of the Work Order, it had paid 10% of the Project Cost to the Operational Creditor, amounting to Rs. 3,68,00,000/-. It was further submitted that, pursuant to such payment, the Operational Creditor supplied certain materials to the Respondent; however, the Operational Creditor failed to supply conductors,

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insulators, Optical Ground Wire (OPGW), fittings, hardware, and accessories, despite having received dispatch instructions from the Orissa Power Transmission Corporation Limited. Owing to such failure on the part of the Operational Creditor, the Respondent withheld the balance 20% of the supply retention amount payable to the Operational Creditor.

3.5. The Respondent submitted that, since the Operational Creditor had failed to supply the conductors, insulators, and Optical Ground Wire (OPGW), the Respondent approached the Orissa Power Transmission Corporation Limited for the supply of materials required for completing the remaining work relating to the erection and installation of conductors for the Bamra line. It was further submitted that the Orissa Power Transmission Corporation Limited provided the necessary materials to the Respondent on a loan-returnable basis, pursuant to which the Bamra line work was completed and the line was charged on 23.09.2022. The Respondent also contended that the Operational Creditor has yet to supply materials worth Rs. 6,79,00,000/-, as agreed between the Operational Creditor and the Corporate Debtor under the Contract Agreement dated 04.01.2019.

3.6. The Respondent submitted that, although the Date of Default has been mentioned as 31.10.2021 in Part-IV of the application, the Corporate Debtor had made payments of Rs. 10,00,000/- on 02.06.2022 and Rs. 10,00,000/- on 04.06.2022, as reflected in the Bank Account Statement of the Corporate Debtor.

3.7. The Respondent submitted that, upon calibration of the dues and amounts payable between the Operational Creditor and the Corporate Debtor, it becomes evident that it is, in fact, the Respondent who is entitled to claim payment from the Petitioner, and not vice versa. A calculation statement detailing the same has been annexed and marked as *Annexure-E* with the Reply.

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3.8. The Respondent submitted that it had furnished a Bank Guarantee amounting to Rs. 1,10,64,579/- in favour of the Orissa Power Transmission Corporation Limited for the completion of the project. It was further submitted that, in the event of failure to complete the work within the stipulated time, the Corporate Debtor would suffer reputational loss, the said Bank Guarantee would stand forfeited, and the Corporate Debtor would be liable to be blacklisted by the Orissa Power Transmission Corporation Limited.

3.9. The respondent has relied upon a Judgement of **Hon'ble NCLAT** in **Krishna Enterprise V. Gammon India Limited (Company Appeal (AT) (Insolvency) No. 144 of 2018)**, to substantiate its claim that in the absence of any agreement on the rate of interest between the parties, the interest element cannot be treated as part of the debt amount.

4. The applicant, in response to the reply, filed a rejoinder on 11.04.2024, wherein it has contended as follows:

4.1. The Operational Creditor has asserted a bona fide claim of Rs. 3,19,92,738/- (Principal) together with interest at 24% per annum amounting to Rs. 1,08,77,531/-, aggregating to Rs. 4,28,70,269/- as on 31.03.2023, and contends that the Corporate Debtor has failed to discharge its admitted liability. The Operational Creditor has specifically denied the allegation that the claimed amount includes a 60% profit share and has placed reliance on the application to establish that the said claim pertains solely to the balance sale consideration for supply and delivery of structures, insulators, joints, and accessories made between 30.04.2019 and 30.10.2021. It has further been contended that Clause 5 of the Internal Agreement dated 04.01.2019, executed between the predecessor of the Corporate Debtor and the Operational Creditor, has no bearing or applicability for the computation of the said operational debt.

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4.2. The Operational Creditor has contended that the issue of non-consideration of the insurance cost of Rs. 5,86,758/-, as alleged to have been borne by the Corporate Debtor, is a baseless and misleading contention. It has been submitted that the computation of the operational debt of Rs. 3,19,92,738/- pertains solely to the unpaid consideration for the supply of goods and that the inclusion or relevance of insurance cost in such calculation is wholly misconceived and an afterthought of the Corporate Debtor.

4.3. The Corporate Debtor has misconceived the scope of proceedings under Section 9 of the Insolvency and Bankruptcy Code, 2016. The issue of alleged non-payment of Rs. 1,30,00,000/- under Clause 3.1.1 of the Internal Agreement dated 04.01.2019, executed between the predecessor of the Corporate Debtor and the Operational Creditor, cannot be adjudicated in these summary proceedings, which are not in the nature of a civil trial. It has further been submitted that the Corporate Debtor's plea of withholding 20% of the retention payment for alleged non-supply of materials is illusory and an afterthought, raised belatedly without any supporting evidence or prior correspondence, and that the present claim pertains solely to the unpaid sale consideration for materials already supplied to the Corporate Debtor.

4.4. The Corporate Debtor has misconstrued the scope of proceedings under Section 9 of the Insolvency and Bankruptcy Code, 2016. The allegation of non-supply of materials worth Rs. 6,79,00,000/-, as raised by the Corporate Debtor, cannot be adjudicated in these summary proceedings. It has been submitted that the Operational Creditor could not supply the balance materials under the Work Order dated 20.08.2018, owing to the Corporate Debtor's failure to make payments for the materials already supplied in accordance with the agreed terms. The Operational Creditor has further clarified that the present claim pertains solely to the unpaid sale consideration for goods actually

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supplied, and that the reference to non-supplied materials is irrelevant and raised only to mislead this Tribunal.

4.5. The objection raised by the Corporate Debtor regarding the alleged erroneous mention of 31.10.2021 as the date of default is misconceived and intended to mislead. It has been submitted that, in terms of Section 3(12) of the Insolvency and Bankruptcy Code, 2016, the date of default has been correctly determined as 31.10.2021, being the date of issuance of the last invoice bearing No. DPSE21-22/0593 for Rs. 8,75,082/-. The subsequent payments of Rs. 10,00,000 each, made on 02.06.2022 and 04.06.2022, have been duly accounted for in the computation of operational debt. The Operational Creditor has further pointed out, based on the Corporate Debtor's own books of accounts, that a running and continuous account is being maintained, with outstanding operational debt exceeding Rs. 1 Crore, thereby satisfying the threshold under Section 4 of the Code.

4.6. The alleged counterclaim of approximately Rs. 8,10,00,000/- raised by the Corporate Debtor, as reflected in the Work Sheets, is frivolous and baseless. It has been submitted that such a claim cannot be adjudicated within the scope of the present proceedings under Section 9 of the Insolvency and Bankruptcy Code, 2016, which are summary in nature and not in the form of a civil trial. The Operational Creditor has further disputed the authenticity of the said Work Sheets, pointing out that they are neither stamped, signed, nor issued on the letterhead of the Corporate Debtor, and that no evidence has been adduced to demonstrate that these documents were ever served upon the Operational Creditor prior to the issuance of the demand notice. Accordingly, the alleged counterclaim cannot be treated as a valid pre-existing dispute.

4.7. The contention raised by the Corporate Debtor regarding the alleged loss of Bank Guarantee of Rs. 1,10,64,569/- is

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misconceived, irrelevant, and beyond the scope of adjudication in the present summary proceedings under Section 9 of the Insolvency and Bankruptcy Code, 2016. It is submitted that the Operational Creditor had also executed a valid Bank Guarantee in favour of OPTCL for the supply of materials through the Corporate Debtor, in compliance with the contractual terms, and that this was part of the jural obligations arising from the Work Order. The Operational Creditor has further contended that the Corporate Debtor's failure to adhere to the payment terms under the said Work Order led to the initiation of the instant proceedings, and therefore, the issue of Bank Guarantee is wholly erroneous for the determination of operational debt.

Analysis & Findings:

5. Upon consideration of the pleadings, documents, and submissions made by both parties, it is observed that the Operational Creditor and the Corporate Debtor were joint contractors under a common arrangement with Odisha Power Transmission Corporation Limited (OPTCL) for execution of the turnkey project. It is further observed that the materials were directly supplied by the Operational Creditor to OPTCL on behalf of the Corporate Debtor, in terms of Clause 3.2 of the Internal Agreement dated 04.01.2019. As per Clause 2.1 of the First Addendum to the Contract Agreement executed between the Operational Creditor and the Corporate Debtor on 11.02.2020, the Corporate Debtor is contractually liable to make payment towards the cost of raw materials so supplied to OPTCL by the Operational Creditor.

6. This Tribunal relied on the Judgment of the **Hon'ble Supreme Court** in ***Mobilox Innovations Private Limited V. Kirusa Software Private Limited (2017 1 SCC Online SC 353)***, wherein the Hon'ble Supreme Court outlined the facts to be examined by the Adjudicating Authority while examining an application under Section 9 of the IBC, 2016, which is reproduced as follows:

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"34. Therefore, the adjudicating authority, when examining an application under Section 9 of the Act will have to determine:

- (i) Whether there is an "operational debt" as defined exceeding Rs.1 lakh? (See Section 4 of the Act)*
- (ii) Whether the documentary evidence furnished with the application shows that the aforesaid debt is due and payable and has not yet been paid? and*
- (iii) Whether there is the existence of a dispute between the parties or the record of the pendency of a suit or arbitration proceeding filed before the receipt of the demand notice of the unpaid operational debt in relation to such dispute?*

If any one of the aforesaid conditions is lacking, the application would have to be rejected. Apart from the above, the adjudicating authority must follow the mandate of Section 9, as outlined above, and in particular the mandate of Section 9(5) of the Act, and admit or reject the application, as the case may be, depending upon the factors mentioned in Section 9(5) of the Act."

7. This Tribunal also relied upon the definition of the Operational Debt as per Section 5(21) of IBC, 2016, which is as under:

"5. Definitions- In this Part, unless the context otherwise requires,-

(21) "operational debt" means a claim in respect of the provision of goods and services including employment or a debt in respect of the [payment] of dues arising under any law for the time being in force and payable to the Central Government, any State Government or any Local Authority".

8. Upon perusal of Section 5(21) of the Code, it is observed that the Operational Creditor had supplied materials to OPTCL in terms of Clause 3.2 of the Internal Agreement dated 04.01.2019 and had raised invoices upon the Corporate Debtor for the Financial Years 2019-20 to 2021-22. It is further noted that the Corporate Debtor had availed Input Tax Credit on the GST amount paid against such invoices and had, vide

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its letter dated 21.10.2022, and in the ledger account of the Operational Creditor maintained by the Corporate Debtor, acknowledged its liability towards the Operational Creditor. The admitted liability exceeds the threshold limit of Rs. 1 Crore as stipulated under Section 4 of the Insolvency and Bankruptcy Code, 2016. Accordingly, the existence of debt and default stands established. Any contention regarding the precise quantification of the debt is to be verified by the Resolution Professional during the Corporate Insolvency Resolution Process (CIRP) and cannot constitute a ground for rejecting the present Application at the admission stage.

9. This Tribunal relied on the matter decided by the **Hon'ble Supreme Court** in **Innoventive Industries Ltd. v. ICICI Bank and Anr.** [(2018) 1 SCC 407], wherein the Hon'ble Apex Court, while explaining the provisions of Section 9 observed is hereby reproduced as under:

"27. The scheme of the Code is to ensure that when a default takes place, in the sense that a debt becomes due and is not paid, the insolvency resolution process begins. Default is defined in Section 3(12) in very wide terms as meaning non-payment of a debt once it becomes due and payable, which includes non-payment of even part thereof or an instalment amount. For the meaning of "debt", we have to go to Section 3(11), which in turn tells us that a debt means a liability of obligation in respect of a "claim" and for the meaning of "claim", we have to go back to Section 3(6) which defines "claim" to mean a right to payment even if it is disputed. The Code gets triggered the moment default is of rupees one lakh or more (Section 4). The corporate insolvency resolution process may be triggered by the corporate debtor itself or a financial creditor or operational creditor. A distinction is made by the Code between debts owed to financial creditors and operational creditors. A financial creditor has been defined under Section 5(7) as a person to whom a financial debt is owed and a financial debt is defined in Section 5(8) to mean a debt which is disbursed against consideration for the time value of money. As opposed to this,

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an operational creditor means a person to whom an operational debt is owed and an operational debt under Section 5(21) means a claim in respect of provision of goods or services.

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29. The scheme of Section 7 stands in contrast with the scheme under Section 8 where an operational creditor is, on the occurrence of a default, to first deliver a demand notice of the unpaid debt to the operational debtor in the manner provided in Section 8(1) of the Code. Under Section 8(2), the corporate debtor can, within a period of 10 days of receipt of the demand notice or copy of the invoice mentioned of a dispute or the record of the pendency of a suit or arbitration proceedings, which is pre-existing- i.e. before such notice or invoice was received by the corporate debtor. The moment there is existence of such a dispute, the operational creditor gets out of the clutches of the Code."

10. From the aforesaid findings, it is clear that 'claim' means a right to payment even if it is disputed. Therefore, merely the 'Corporate Debtor' has disputed the claim by showing that there is a certain counterclaim against the claim of the Operational Creditor. Thus, it cannot be held that there is a pre-existence of dispute in the absence of any evidence to suggest that the dispute was raised prior to the issuance of the demand notice under Section 8(1) of IBC, 2016.

11. Furthermore, it is observed that the Corporate Debtor has disputed the Date of Default, i.e., 30.10.2021, as mentioned in Part IV of the Application, contending that there are no terms or conditions in the invoices stipulating that the amount would become due and payable upon issuance thereof. It is, however, noted that the Operational Creditor has considered the date of the last invoice raised upon the Corporate Debtor, i.e., 30.10.2021, as the Date of Default for the entire outstanding debt amount.

12. It is further observed that the Operational Creditor had duly issued a Statutory Demand Notice under Section 8(1) of the Insolvency and Bankruptcy Code, 2016, upon the Corporate Debtor on 31.03.2023, which was delivered to the Corporate Debtor on

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03.04.2023. However, the Corporate Debtor failed to furnish any reply to the said Statutory Demand Notice within the prescribed period of ten days as mandated under Section 8(2) of the Code.

13. In view of the foregoing observations, it stands established that there existed no pre-existing dispute between the Operational Creditor and the Corporate Debtor prior to the issuance of the Demand Notice under Section 8 of the Insolvency and Bankruptcy Code, 2016. Upon examination of the invoices raised by the Operational Creditor, it is evident that the Corporate Debtor has defaulted in making payment of an operational debt exceeding Rs. 1 Crore. The said default is also corroborated by the Corporate Debtor's acknowledgement of liability, as per its letter dated 21.10.2022 and in the ledger account of the Operational creditor maintained by the Corporate Debtor.

14. In view of the aforesaid observations, we hereby admit the application and pass the following orders:

14.1. The Petition bearing CP (IBC) No. 45/CB/2023 under Section 9 of the Code read with Rule 6 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating CIRP of **ASB Energy Systems And Construction Private Limited** [CIN: U45209OR2019PTC031451] is allowed and Corporate Debtor is '**ADMITTED**' into Corporate Insolvency Resolution Process.

14.2. The moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 is declared for prohibiting all the following in terms of section 14(1) of the Code –

- a.** the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree, or order in any court of law, tribunal, arbitration panel or other authority;
- b.** transferring, encumbering, alienating, or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;

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- 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 the possession of the corporate debtor.

14.3. The order of moratorium shall have effect from the date of this order till the completion of the Corporate Insolvency Resolution Process until this 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 of the Insolvency & Bankruptcy Code, 2016.

14.4. As the applicant has not proposed any name for the appointment of the IRP. Hence, IRP appointed from the IBBI panel and **Mr. Chittaranjan Panda**, having Registration No. **IBBI/IPA-001/IP-P01003/2017-2018/11650** and Email Id: crpanda2001@gmail.com, office at H.I.G.-108, Phase-1, Kanan Vihar, Patia, Bhubaneswar, Khordha, Orissa- 751031 is hereby appointed as Interim Resolution Professional (IRP) of the Corporate Debtor to carry out the functions as per the Code, subject to him possessing a valid Authorization for Assignment (AFA) in terms of 7A of the Insolvency and Bankruptcy Board of India (Insolvency Professional) Regulations, 2016.

14.5. The IRP so appointed shall make a public announcement of initiation of Corporate Insolvency Resolution Process (CIRP) and call for submission of claims under Section 15 as required by Section 13(1) (b) of the Code.

14.6. 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. The corporate debtor to

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provide effective assistance to the IRP as and when he takes charge of the assets and management of the corporate debtor.

14.7. The IRP shall perform all his functions as contemplated, interalia, by sections 17, 18, 20 & 21 of the Code. It is further made clear that all personnel connected with Corporate Debtor, its Promoter or any other person associated with management of the Corporate Debtor are under legal obligation under section 19 of the Code extending every assistance and co-operation to the Interim Resolution Professional. Where any personnel of the Corporate Debtor, its Promoter or any other person required to assist or cooperate with IRP, do not assist or co-operate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

14.8. The IRP shall be under duty to protect and preserve the value of the property of the 'Corporate Debtor' and manage the operations of the Corporate Debtor as a going concern as a part of obligation imposed by section 20 of the Insolvency & Bankruptcy Code, 2016.

14.9. The IRP/RP shall submit to this Adjudicating Authority periodical reports concerning the progress of the CIRP in respect of the Corporate Debtor.

14.10. The Operational Creditor shall deposit a sum of Rs. 2,00,000/- (Two Lakhs only) with the within two weeks from the date of receipt of this order for the purpose of smooth conduct of Corporate Insolvency Resolution Process (CIRP) and IRP to file proof of receipt of such amount to this Adjudicating Authority along with First Progress Report. Subsequently, IRP may raise further demands for Interim funds, which shall be provided as per Rules.

14.11. In terms of section 9(5)(i) of the Code, the Registry is hereby directed to communicate a copy of this order to the Operational Creditor, Corporate Debtor and to the Interim Resolution

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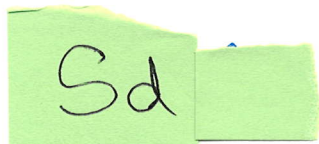
Professional and the concerned Registrar of Companies, within seven (7) working days and upload the same on website immediately after pronouncement of the order.

14.12. The IRP shall also serve a copy of this order to the various departments such as Income Tax, GST, State Commercial Tax, and Provident Fund etc. who are likely to have their claim against Corporate Debtor as well as to the trade unions/employee's associations so that they are informed of the initiating of CIRP against the Corporate Debtor timely.

14.13. The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.

14.14. The Resolution Professional shall submit his periodic reports before this Adjudicating Authority as per rules/regulations.

The application bearing CP (IB) No. 45/CB/2023 stands **"ALLOWED"**.



BANWARI LAL MEENA
MEMBER (TECHNICAL)



DEEP CHANDRA JOSHI
MEMBER (JUDICIAL)