



**NATIONAL COMPANY LAW TRIBUNAL**  
**INDORE BENCH**  
**COURT NO. 1**

ITEM Nos.1 & 2

Item No.1 – **CP(IB)/53(MP)2023**

Item No.2 – **CP(IB)/54(MP)2023**

**Proceedings under Section 7 IBC**

**IN THE MATTER OF:**

**[CP(IB)/53(MP)2023]**

Omkara Assets Reconstruction Pvt Ltd  
V/s  
Chinar Realty Pvt Ltd

.....Applicant

.....Respondent

&

**[CP(IB)/54(MP)2023]**

Omkara Assets Reconstruction Pvt Ltd  
V/s  
Chinar Retails & Infrastructure Pvt Ltd

.....Applicant

.....Respondent

**Order delivered on 02/05/2024**

**Coram:**

P. Mohan Raj, Hon'ble Member(J)  
Kaushalendra Kumar Singh, Hon'ble Member(T)

**PRESENT:**

For the Applicant :

For the Respondent :

**ORDER**

Both cases are fixed for pronouncement of the order.

A common order is pronounced in open Court *vide* separate sheet.

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**KAUSHALENDRA KUMAR SINGH  
MEMBER (TECHNICAL)**

A. Bhadauria

-sd-

**P. MOHAN RAJ  
MEMBER (JUDICIAL)**



**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL**

**INDORE BENCH**

**CP(IB) 53 of 2023 & CP(IB) 54 of 2023**

*(Under Section 7 of the Insolvency and Bankruptcy Code, 2016 r.w. Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)*

**In the Matter of CP(IB) 53 of 2023:**

**Omkara Assets Reconstruction Private Limited**

No.9, M.P. Nagar First Street  
Kongu Nagar Extension  
Tirupur- 641607  
Tamil Nadu

Also at:

C/515 Kanakia Zillion  
Junction of LBS Road and CST Road Annexe  
Near Equinox, Kurla (West)  
Mumbai- 400070  
Maharashtra

**Applicant/  
Financial Creditor**

**Versus**

**Chinar Realty Private Limited**

Off No.217(A), 02 Floor  
Chinar Incube Business Centre  
Chinar Fortune City  
Near Ashima Mall  
Hoshangabad Road  
Bhopal- 462026 (M.P.)

Also at:

231, Chinar House  
Zone II, MP Nagar  
Bhopal 462011

**Corporate Debtor**



**And**

**In the Matter of CP(IB) 54 of 2023:**

**Omkara Assets Reconstruction Private Limited**

No.9, M.P. Nagar First Street  
Kongu Nagar Extension  
Tirupur- 641607  
Tamil Nadu

Also at:

C/515 Kanakia Zillion  
Junction of LBS Road and CST Road Annexe  
Near Equinox, Kurla (West)  
Mumbai- 400070  
Maharashtra

**Financial Creditor**

**Versus**

**Chinar Retails & Infrastructure Private Limited**

Off No.217(A), 02 Floor  
Chinar Incube Business Centre  
Chinar Fortune City  
Near Ashima Mall  
Hoshangabad Road  
Bhopal- 462026 (M.P.)

Also at:

231, Chinar House  
Zone II, MP Nagar  
Bhopal 462011

**Corporate Debtor**

**Order pronounced on:02.05.2024**

**Coram: Hon'ble P. Mohan Raj, Member (J)  
Hon'ble Kaushalendra Kumar Singh, Member (T)**



**Present:**

For the Applicant: Ld. Adv. Mr. Abhinav Malhotra a.w. Ld.  
Adv. Mr. Pranjal Kalantri  
For the Respondent: Ld. Adv. Mr. Gauraj Shah a.w. Ld. Adv. Ms.  
Shruti Mittal

**ORDER**

1. The instant applications CP(IB) 53 of 2023 & CP(IB) 54 of 2023 were filed on 04.07.2023 respectively by Omkara Assets Reconstruction Private Limited (Applicant) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (**CODE**) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiation of Corporate Insolvency Resolution Process (CIRP) against respective respondents i.e Chinar Realty Private Limited (**Borrower**) & Chinar Retails & Infrastructure Private Limited (**Co-Borrower**) respectively for the default amount of Rs. 2,01,67,59,990/- (Principal- Rs.86,80,55,673/-, interest- Rs.71,17,42,120/- & Penal interest- Rs.43,69,62,197/-) as on 31.05.2023. The date of default is 15.05.2018. Since the respondents in the respective applications are group concern and the applicant has claimed common debt, the applications are dealt with by this common order.

2. The averments made by the financial creditor/applicant in its application and as argued by the learned counsel are summarised as under:

i. The applicant is a company incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of securitisation and asset reconstruction having registration No.020363 as mandated under the SARFAESI Act. The borrower & Co-borrower is a company incorporated in the year 1999 under the provisions of the Companies Act, 1956. The



borrower along with Co-borrower approached Dewan Housing Finance Corporation Limited (DHFL) for a loan facility of Rs.100 crore against certain financing documents and the same was sanctioned vide sanction letter dated 27.07.2017 and thereafter DHFL entered into a loan agreement dated 28.07.2017 with the borrower (i.e. Chinar Realty Private Limited) and its Co-borrower (i.e. Chinar Retails and Infrastructure Private Limited).

ii. The project loan of Rs.100 crore was sanctioned for construction and development work of the Phase-I and II of the project 'Chinar Dream CT'. The terms of the loan agreement were such that the repayment of the principal amount along with interest @ 24% monthly was to be done in 24 EMIs commencing after 48 months from the date of 1<sup>st</sup> disbursement.

iii. The debt was secured by the corporate guarantee dated 28.07.2017 by M/s Chinar Builders. Further to secure the debt personal guarantees were given by Shri Gopichand Moolchandani, Maya Devi Moolchandani, Sunil Moolchandani, Anu Moolchandani and Manit Moolchandani on the same date i.e. 28.07.2017.

iv. Moreover, against the said loan properties of other entities were also mortgaged. The borrower & Co-borrower executed a demand promissory note promising to pay DHFL the debt amount. The borrower & Co-borrower also executed a hypothecation deed dated 28.07.2017 and hypothecated all its present/ future book debts, outstanding money, receivables, unsold units in its various projects i.e. – Chinar Dream CT, Chinar Fortune City, Chinar Incube Business Centre, Chinar Florence, Chinar Nest and Chinar 7<sup>th</sup> Mile.



v. DHFL disbursed an amount of Rs.90,50,00,000/- to the respondent in the following manner:

Sr.	Date of disbursement	Amount disbursed
1.	31.07.2017	80,00,00,000
2.	19.09.2017	1,50,00,000
3.	29.12.2017	3,00,00,000
4.	31.03.2018	6,00,00,000
	<b>Total</b>	<b>90,50,00,000</b>

vi. The borrower & Co-borrower defaulted in repayment of the said loan and the first date of default is 15.05.2018. Therefore, a notice dated 08.11.2019 was issued to the borrower, Co-Borrower, guarantors and mortgagors to repay the outstanding amount. Further demand notice dated 02.09.2020 to the borrower, Co-Borrower, guarantors and dated 05.12.2022 to the personal guarantors were also issued under SARFAESI and IBC respectively.

vii. The borrower & Co-borrower has admitted and acknowledged the debt in its financial statement for the year 2020-21, however, they failed to repay the amount and thus Rs.201,67,59,990/- remains outstanding as on 31.05.2023.

viii. However, on an application filed against DHFL, CIRP was initiated against DHFL and the resolution plan of Piramal Capital & Housing Finance Limited was approved by the Adjudicating Authority, Mumbai Bench vide its order dated 07.06.2021. Thereafter, Piramal Capital & Housing Finance Limited was reverse merged into DHFL w.e.f. 30.09.2021 along with all rights in respect of recovery of debts (including the said loan) and the name of DHFL was changed to Piramal Capital & Housing Finance Limited.



ix. The said loan along with its financing documents, its rights, title and interest in the financing documents and any underlying security interests, pledges and/or guarantees in respect of the said loan is assigned by Piramal Capital & Housing Finance Limited to the applicant i.e. Omkara Assets Reconstruction Private Limited through Assignment Agreement dated 10.01.2023. Therefore, the applicant has in pursuance to the said Assignment Agreement filed the present application.

3. The objections raised by the corporate debtor/respondents in their reply and as argued by the learned counsel for the respondents are summarised as under:

i. The lender DHFL has admittedly defaulted in disbursing the sanctioned loan due to its scarcity of funds. In pursuance to the order dated 03.12.2019 of the Adjudicating Authority, Mumbai Bench in an application [CP(IB) 4258 of 2019] filed by the Reserve Bank of India (RBI) against the lender DHFL, DHFL was merged with Piramal Capital and Housing Finance Limited. DHFL was under financial distress from the year 2018.

ii. Further the debt assigned by the Piramal Capital and Housing Finance Limited to the applicant is in the absence of a valid registered Assignment Deed. The applicant has relied upon the Assignment Agreement which contains number of contingent conditions. However, until registration of an Assignment Deed between the Assignor & Assignee (i.e. Applicant) no right, title and interest stands transferred in favour of the applicant.

iii. As per the Assignment Agreement Piramal has assigned the account of the respondents with outstanding amount of Rs.86.81 crore to the applicant for a consideration of 45% of the



book value i.e. 39.06 crore. Since, the total outstanding loans of DHFL amounting to Rs.3000 crore has been acquired by Piramal at a meagre consideration of Rs.1392 crore and therefore, the assets of the borrower & Co-borrower has been acquired by the applicant for Rs.40 crore approx.; however, the applicant has filed the present application incorrectly claiming Rs.201 crore approx.

iv. The applicant has provided insufficient incorrect information with regard to the amount disbursed, date of disbursement, date of default and the outstanding amount. Further, DHFL has not disbursed the entire amount of Rs.100 crore in the year 2017 which was sanctioned vide letter dated 27.07.2017. However, DHFL has admittedly disbursed only Rs.90.50 crore to the borrower & Co-borrower without stating any reason for non-disbursement of the balance amount of Rs9.50 crore.

v. It is the applicant who defaulted in its obligations with regard to repayment in the last quarter of the financial year 2018 due to which the progress of the project was hindered and the borrower suffered from a vulnerable, precarious situation. Further, due to the non-disbursal of the balance amount by the applicant, the borrower & Co-borrower could not pay certain agreed amount to the land owner and therefore, the land owner filed criminal as well as civil case against the borrower.

vi. Moreover, an amortized repayment schedule was specifically and categorically articulated by remodeling the terms and conditions of the loan agreement vide Escrow Account Agreement dated 28.07.2017. The said Escrow Account Agreement only provided for repayment of amortized amount of



principal along with interest for 4 years in 48 EMIs commencing from 48<sup>th</sup> month from the date of first disbursement. Therefore, there is no possibility or probability of any default occurring prior to expiry of said 4 years from the date of first disbursement (48 months post first date of disbursement i.e. from 31.07.2017 comes to 01.04.2021).

vii. The statement of accounts of the applicant for the period from 31.07.2017 to 31.03.2018 itself demonstrate negative balance of Rs.1,03,78,022/- i.e. the said amount was available on 31.03.2018 as advance with the lender. The principal amount of Rs.90.50 crore also is reflected to have been reduced by Rs.3.65 crore thereby the net outstanding principal is Rs.86.85 crore within one year from the date of first disbursement in spite of the fact that complete disbursement of the amount as agreed was not effected by DHFL.

viii. That due to the insolvent status of DHFL the borrower & Co-borrower were not only deprived of availing the entire amount of loan but were also not given benefit of other schemes of the government like 10% to 30% emergency line of credit guarantee to cope up with the Covid aftermath. The balance amount of loan was also not disbursed in spite of several requests made by the borrower.

ix. Moreover, the applicant has filed the incomplete application with incorrect information. The applicant has stated different date of default and different amount in different documents. The date of default mentioned in notice under section 13(2), recall notice, present application is 01.08.2018, 08.11.2019 and 18.05.2018 respectively. The due amount mentioned in notice under section 13(2), recall notice, utility



statement of CIBIL, NESL statement, Assignment agreement dated 23.01.2023 is 126,31,82,241/-, 117,72,87,121/-, 185,75,99,078/-, 172,14,61,773/- and 176,47,23,243/- respectively.

x. The present application is time barred. The date of default is wrongly mentioned as 18.05.2018, however, even if the said date of default is considered to be correct then also it is prior to three years from the date of filing of the present application. Further, the applicant has sent a notice under section 13(2) of the SARFAESI Act on 02.09.2020, however, the applicant has not proceeded under the said Act and has neither invoked the provisions of other fiscal statute namely RDDBFI Act, 1993.

4. The applicant has filed its rejoinder on 07.09.2023 The submissions are summarised as under:

i. That it is an admitted fact that based on the terms and conditions of the sanction letter dated 27.07.2017 and the subsequent loan agreement dated 28.07.2017 executed and accepted by the borrower & Co-borrower, DHFL disbursed an amount of Rs.90,50,00,000/- to the borrower & Co-borrower. The debt is assigned to the applicant through a duly stamped assignment agreement dated 10.01.2023 and the same is also registered before the Joint Sub-Registrar, Mumbai. Further, the amount of default i.e. Rs.201 crore is computed based on the loan under default and the interest accrued upon the same in accordance with the financing documents. Furthermore, all the facts and particulars of the application are true and correct and the same is supported by an affidavit of the authorized representative. Moreover, the contention of the borrower & Co-



borrower that the loan was a balance transfer of the then existing loan of Rs.63 crore is misplaced.

ii. The lender cannot be bound by the borrower or Co-borrower to sanction further amount even when they fail to honour the repayment terms. The said loan was also disbursed only when the terms and conditions were accepted by the respondents. For ready reference Clause I (Disbursement) of the sanction letter as accepted by the respondent is reproduced as under:

*“The disbursement of loan will be based on maintenance of Security cover as mentioned above. The discretion of DHFL for disbursement of any tranche shall be sole and final”*

iii. Further the financing documents i.e. sanction letter, loan agreement, personal & corporate guarantees, demand promissory note and the hypothecation deed reflects that the repayment schedule included payment of PEMI (Pre-Equated Monthly Instalment) during the disbursement and the payment of EMI after completion of 48 months from the date of first disbursement. Moreover, the said documents were executed on the same day i.e.28.07.2017 and are to be read in tandem with each other. Therefore, there does not arise any reason for the terms and conditions of the loan agreement to be modified by the Escrow account as incorrectly contended by the borrower & Co-borrower. Even otherwise the terms and conditions of the loan agreement were to be governed by the loan agreement whereas the Escrow Agreement only dealt with the manner in which the sale proceeds from sale of units in the proposed project was to be used for repayment of the loan.

iv. The first date of default was 15.05.2018 being the date when the default occurred since the borrower & Co-borrower



failed to repay the PEMI due as per clause 3.4 of the loan agreement. For ready reference clause 3.4 and clause 8 (Event of default) of the loan agreement are reproduced as under:

*3.Repayment of loan*

**Clause 3.4 –**

*PEMI shall be charged from the date of the first disbursement till the commencement of repayment through EMIs. Post Dated Cheques (PDCs) covering the same should be furnished with each disbursement. If there is a default in payment of interest or principal for two consecutive months, it shall be construed as an event of default or violation of the terms and conditions of the sanction and the entire said Loan may be recalled.*

**Clause 8 – Event of Default**

*Clause 8.1- Notwithstanding anything to the contrary contained in this agreement or other documents/writing, the whole of the Loan shall become forthwith due and payable by the Borrower to DHFL and DHFL can enforce the security created in its favour upon happening of one or more of the events specified in this clause (hereinafter called Events of Defaults)*

- a) If there is a default in payment of any of interest or principal for two consecutive months; or*
- b) If there is any breach or violation of any of the terms of sanction of the said Loan; or*

v. Thus, it is evident from the above-mentioned clause 3.4 that the PEMI was to be charged from the date of first disbursement till the commencement of repayment through EMI. Further bare perusal of the loan statement makes it clear that the borrower & Co-borrower has failed to make the payment of the PEMI for various months and the first default in repayment occurred on 15.05.2018. Thus, it is submitted that there is clear default on the part of the borrower & Co-borrower, and the same is included in Clause 8-Event of Default of the Loan Agreement dated 28.07.2017. Thereafter, the default has continued till date.



The borrower & Co-borrower has in its Financial Statement for the Financial Year 2020-21 has again admitted and acknowledged the existence of Financial Debt. Therefore, considering the admission by the borrower & Co-borrower of the debt and default, the present application must be admitted for initiation of the corporate insolvency resolution process of the borrower & Co-borrower.

vi. Further, the amount Rs. 201,67,59,990/- claimed to be in default and the date on which the default occurred is clearly and correctly mentioned the application.

vii. That as per the Loan Agreement, the borrower & Co-borrower had to repay the loan along with the interest in the following manner:

- a. Pre-Equated Monthly Instalment (PEMI) which starts from the date of first disbursement i.e., 31.07.2017
- b. Equated Monthly Instalment (EMI) starts after completion of 48 (Forty Eight) months from the date of first disbursement i.e., 31.07.2017

Upon perusal of the loan account, it is evident that the PEMI was last paid on 31.03.2018 and thereafter the borrower & Co-borrower defaulted in payment of PEMI for two consecutive months i.e. for the months of April and May, 2018. Hence, the first date of default is 15.05.2018 and the same is correctly mentioned in the Application.

viii. As far as limitation period is concerned a period of three (3) years from the first date of default i.e., from 15.05.2018 ends on 15.05.2021. However, owing to the difficulties faced by the litigants during Covid 19 pandemic, the Hon'ble Supreme Court



of India vide its Judgment dated 10.01.2022 passed in *In Re: Cognizance for Extension of Limitation, Suo Motu Writ Petition (C) No. 3 of 2020* excluded the period from 15.03.2020 to 28.02.2022 for the purpose of computing limitation and directed extension of limitation period for a period of 90 (Ninety) days from 01.03.2022. As such, the limitation period for filing the present application would have expired on 01.06.2022. Pertinently, during subsistence of this extended limitation period, the borrower has in its Financial Statement for the Financial Year 2020-21 has admitted and acknowledged the existence of financial debt by mentioning an amount of Rs.118,45,65,145/- as secured term loan from DHFL as a liability, and thus amounts to acknowledgement of debt in terms of Section 18 of the Limitation Act, 1963. In view of above, it is most respectfully submitted that limitation to file the present Application under Section 7 of IBC again started for a period of 3 (three) years commencing from 31.03.2021 and has been subsisting and continuing on the date of filing of the present application. Therefore, the present application is filed within the limitation period.

5. We have heard the learned counsel for the applicant as well as for the respective respondents i.e. borrower & Co-borrower and perused the material available on record. It is noted that the borrower along with its Co-borrower approached DHFL for loan of Rs.100 crore and the same was sanctioned vide sanction letter dated 27.07.2017 for the construction and development work of the Phase-I and II of the project 'Chinar Dream CT'. Subsequently, on 28.07.2017 DHFL, borrower & Co-borrower along with its group entities, directors/officers executed following documents for securing the debt extended to the borrower & Co-borrower, namely:



- i. Corporate guarantee by Chinar Builders in favour of DHFL
- ii. Personal guarantees were executed by Shri Gopichand Moolchandani, Maya Devi Moolchandani, Sunil Moolchandani, Anu Moolchandani and Manit Moolchandani;
- iii. Declaration of deposit of title deed for creating equitable mortgage with respect to the immovable properties;
- iv. Demand promissory note by the borrower & Co-borrower;
- v. Escrow Agreement for setting up an escrow account to collect and appropriate all receivables;
- vi. Deed of hypothecation for hypothecating all the present, future receivables from sold and unsold units in its real estate projects.

6. It is noted that DHFL disbursed an amount of Rs.80,00,00,000/- , Rs.1,50,00,000/-, Rs.3,00,00,000/- & Rs.6,00,00,000/- on 31.07.2017, 19.09.2017, 29.12.2017 & 31.03.2018 respectively, total amounting to Rs.90,50,00,000/-. The terms of the loan agreement were such that PEMI was to be started from the date of first disbursement i.e. 31.07.2017 and repayment of the principal amount along with interest at the rate 24% monthly was to be done in 24 EMIs commencing after 48 months from the date of first disbursement.

7. It is further noted that pursuant to an application [CP(IB)-4258/MB/2019] filed by the Reserve Bank of India against DHFL under section 227 r.w. section 239 of the Code, the Adjudicating Authority, Mumbai Bench vide its order dated 03.12.2019 initiated CIRP against DHFL. Thereafter, the resolution plan of Piramal Capital & Housing Finance Limited was approved by the said Adjudicating Authority and Piramal Capital & Housing Finance Limited was reverse merged into DHFL along with all rights in respect of recovery of debts (including the said loan). The name of DHFL was changed to Piramal



Capital & Housing Finance Limited. Furthermore, the said loan along with all the documents was assigned by Piramal Capital & Housing Finance Limited to Omkara Assets Reconstruction Private Limited (i.e. the applicant) through an Assignment Agreement dated 10.01.2023.

8. It is also noted that DHFL issued loan recall notice, demand notices to the borrower, Co-borrower, guarantors and mortgagors to repay the outstanding amount. However, the respondents failed to repay the said amount.

9. It is further noted that as per the loan agreement the PEMI was to be charged from the date of first disbursement (i.e. 31.07.2017) till the commencement of repayment through EMI and that in case of failure to pay the principal or interest for two consecutive months then the same is to be considered as default. The interest was payable every month and it was agreed that if there was a default in payment of interest or principle for two consecutive terms, it shall be construed as violation of the terms of sanction and the entire loan be recalled as stated in clause 9.6 under other terms and conditions forming part of sanction letter which was duly accepted by Corporate Debtor as well as the Co-borrower. Further, the Agreement dated 28.07.2017 vide clause 4.1 also stipulated payment of monthly interest on 15th day of each month for the respective month from the date of first disbursement. Further clause 1-Definition Clause defines 'Event of Default' to mean any default in payment of the dues of DHFL or any breach of any terms and conditions of the said loan and/or this agreement/security documents. Clause 8.1 of the Loan Agreement provides that the whole of the loan shall become forthwith due and payable by the borrower to DHFL, if there is a default in payment of interest or principal for two consecutive months.



10. The borrower & Co-borrower has failed to make the payment of the PEMI for various months. Moreover, the borrower has in their audited financial statements for the year 2019-20 & 2020-21 recorded an amount of Rs.118,45,65,145/- under the head secured loan – DHFL Term Loan (Secured against mortgage of Dream City Land and WIP).

11. In view of the above, we are of the considered opinion that there exists financial debt which is payable and defaulted by the borrower & Co-borrower. The same is also admitted and acknowledged by the respective respondents. The said default is also evidenced by the Record of Default filed with Information Utility (NeSL). The debt is more than the threshold limit of Rs. 1 crore as per Section 4 of the IBC. This application is filed within limitation and is defect-free; and as such the application deserves to be admitted.

12. On the basis of the facts the application is otherwise defect free & on record. Accordingly, we admit this application and order as under:

(i) Corporate Debtors (a) Chinara Realty Private Limited (borrower) & (b) Chinara Retail & Infrastructure Private Limited (Co-borrower) are admitted in the Corporate Insolvency Resolution Process under section 7 of the Insolvency & Bankruptcy Code, 2016.

(ii) The moratorium under section 14 of the Insolvency & Bankruptcy Code, 2016 is declared for prohibiting all of 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;*
- (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 Securitisation 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.*

(iii) 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 Adjudicating Authority approves the Resolution Plan under sub-section (1) of the Section 31 or passes an order for liquidation of Corporate Debtor Company under Section 33 of the IBC, 2016, as the case may be.

(iv) As proposed by the financial creditor, we appoint Mr. Amit Vijay Karia having registration No. IBBI/IPA – 001/IP-P02600/2021-2022/13969; to act as an IRP under Section 13(1)(c) of the IBC, 2016 in respect of the CIRP of both the corporate debtors (borrower & Co-borrower). He shall conduct the Corporate Insolvency Resolution Process of both the corporate debtors as per the provisions of the Insolvency & Bankruptcy Code, 2016 r.w. Regulations made thereunder.

(v) 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.



(vi) The supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period. The corporate debtor to provide effective assistance to the IRP as and when he takes charge of the assets and management of the corporate debtor.

(vii) The IRP shall perform all his functions as contemplated, *inter-alia*, 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, is required to assist or co-operate 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.

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

(ix) The Financial Creditor is directed to pay an advance of Rs. 1,00,000/- (Rupees one lakh only) to the IRP as regards the CIRP of each of the corporate debtor 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, the IRP may



raise further demands for Interim funds, which shall be provided as per Rules.

(x) The Registry is directed to communicate a copy of this order to the Financial Creditor, Corporate Debtor and to the Interim Resolution Professional and the concerned Registrar of Companies, after completion of necessary formalities, within seven working days and upload the same on website immediately after pronouncement of the order.

(xi) The IRP shall also serve a copy of this order to the various departments such as Income Tax, GST, State Trade 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 timely informed about the initiation of CIRP against the corporate debtor.

(xii) The commencement of the Corporate Insolvency Resolution process shall be effective from the date of this order.

13. Accordingly, CP(IB) 53 of 2023 & CP(IB) 54 of 2023 stands admitted.

**-sd-**  
**Kaushalendra Kumar Singh**  
**Member (Technical)**

**-sd-**  
**P. Mohan Raj**  
**Member (Judicial)**

Swati Khandelwal