

IN THE NATIONAL COMPANY LAW TRIBUNAL
COURT NO. 5, MUMBAI BENCH

C.P.(IB)606/MB/2020

Under Section 7 of the IBC, 2016

In the matter of

Beacon Trusteeship Limited

4C & D Siddhivinayak Chambers,
Gandhi Nagar, Opp Mig Cricket Club,
Bandra (east), Mumbai- 400051

... Petitioner No. 1

S C Manager Private Limited

Lodha Supremus, 1703, 17th Floor, Dr. E.
Moses Road, Worli Naka, Mumbai-
400018

... Petitioner No. 2

SC Credit Fund

Lodha Supremus, 1703, 17th Floor, Dr. E.
Moses Road, Worli Naka, Mumbai-
400018

... Petitioner No. 3

v/s.

Seya Industries Limited

T- 14, M.I.D.C. Tarapur, Boisar, Dist.
Thane- 401506

... Corporate Debtor

Order Pronounced on: 03.08.2021

Coram: Hon'ble Smt. Suchitra Kanuparthi, Member (Judicial)
Hon'ble Shri Chandra Bhan Singh, Member (Technical)

For the Petitioners: Adv. Chetan Kapadia, Adv. Shadab jan, Adv. Prerna Wagh, Adv. Yash Tembe

For the Corporate Debtor: Adv. Sanjay Udeshi, Adv. Ankita

Per: Suchitra Kanuparthi, Member (Judicial)

ORDER

1. This Company Petition is filed by Beacon Trusteeship Limited (hereinafter called "Petitioner No. 1"), S C Manager Private Limited (hereinafter called "Petitioner No. 2") and SC Credit Fund (hereinafter called "Petitioner No. 3") seeking to set in motion the Corporate Insolvency Resolution Process (CIRP) against Seya Industries Limited (hereinafter called "Corporate Debtor") alleging that the Corporate Debtor committed default to the extent of Rs. 77,94,92,513/- as provided under Section 7 of the Insolvency & Bankruptcy Code (hereinafter called "Code") read with Rule 4 of Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

Submissions made by the Petitioners:

2. The Petition reveals that the Corporate Debtor had issued secured, unrated, redeemable, non-convertible debentures of an amount aggregating to Rs. 72,00,00,000/- to Petitioner No. 3 on private placement basis and on terms and conditions as set out in a Debenture Trust Deed (DTD) dated 08.03.2019. Under the said Deed, the Petitioner No. 1 was appointed as the Debenture Trustee by the Corporate Debtor, to act for and on behalf of the Petitioner No. 3. The said Deed was amended by way of First Supplemental Agreement dated 22.03.2019 and specific dates for payment of installments/ coupons were provided therein.
3. The Counsel for the Petitioners submits that the Petitioner No. 3 paid a sum of Rs. 72 Crores to the Corporate Debtor on 11.03.2019. As per Clause 5.4 read with Schedule 3 of the said Deed, the Corporate Debtor

was liable to pay the first installment/ coupon to Petitioner No. 3 on 11.09.2019. But, the Corporate Debtor couldn't pay on 11.09.2019 so a grace period till 15.10.2019 was granted to the Corporate Debtor. However, the Corporate Debtor defaulted in making this very first payment of the coupon amount of Rs. 2,18,95,890.41/- despite granting an extended grace period till 15.10.2019. This act of non-payment of the first coupon resulted in the Event of Default under the said Deed. Consequently, the Petitioners issued notices dated 16.10.2019 calling upon the Corporate Debtor to make payment of the entire redemption amount of Rs. 77,94,92,513/- on or before 17.10.2019, but the Corporate Debtor failed to do so.

4. The Counsel for the Petitioners further submits that the Corporate Debtor had simultaneously invoked arbitration against the Petitioners alleging breach of the said Deed and thereby claiming damages. The Petitioners filed their counter-claim seeking a monetary award of a sum of Rs. 73,56,59,238/- against the Corporate Debtor. Then, the Arbitral Tribunal had granted a monetary award of Rs. 72,06,99,224/- along with interest stipulated therein in favor of the Petitioners after rejecting the defences raised by the Corporate Debtor, ascertaining the default by the Corporate Debtor towards payment of interest due and payable on 11.09.2019 and a valid recall of the entire amount by letter dated 16.10.2019.
5. The Counsel for the Petitioners submits that due to the failure of the Corporate Debtor to make payment of the entire redemption amount, the Petitioners have filed the present Petition seeking initiation of Corporate Insolvency Resolution Process of the Corporate Debtor for a claim amount of Rs. 77,94,92,513/-.
6. The Counsel for the Petitioners submitted the following documents evidencing default committed by the Corporate Debtor:

Sr. No	Date	Particulars
	10.09.2019	Letter addressed by Petitioner No. 1 to Respondent recording interest amount payable on 11.09.2019.
1.	13.09.2019	Letter addressed by Petitioner No. 1 to Respondent stating Default in payment of coupon
2.	16.09.2019	Letter addressed by Petitioner No. 1 to Respondent stating Default in payment of coupon
3.	24.09.2019	Email addressed by Respondent to Petitioners
4.	25.09.2019	Email addressed by Petitioner to Respondent
5.	16.10.2019	Letter of default/Recall Letter addressed by Petitioner No. 1 to Respondent
6.	16.10.2019	Letter addressed by Petitioner No. 1 to Mr. Ashok Rajani invoking Pledge
7.	16.10.2019	Letter addressed by Petitioner No. 1 to Mr. Amrit Rajani invoking Personal Guarantee
8.	08.11.2019	Letter addressed by Petitioner No. 1 to MIDC for enforcement of the Registered mortgage

Submissions made by the Corporate Debtor:

7. The Counsel for the Corporate Debtor contended that:
- The present Petition is not maintainable *per se* as the commitment to disburse the amount of Rs. 80,00,00,000/- was made by the Petitioner No. 3, whereas Petitioner No. 1 is the Debenture Trustee appointed under DTD who has to act on behalf of and upon the instructions of Petitioner No. 3 and Petitioner No. 2 is merely the Investment Manager of Petitioner No. 3. It is submitted that no amounts have been disbursed either by the Petitioner No. 1 or 2 in favour of the Corporate Debtor under the DTD and Petitioner No. 3, being a trust,

cannot sue in its own name and has to sue through its trustee. Therefore, the present Petition, which is filed by the Petitioners who have not even disbursed amounts to the Corporate Debtor is not maintainable and is therefore, liable to be dismissed.

- b. The Petitioners have claimed different amounts in both the present Petition and in the counter claim filed in the arbitration proceedings. Hence, the Petitioners are themselves not clear as to the total debt due and payable by the Corporate Debtor.
- c. The existence of the debt and default is also seriously disputed by the Corporate Debtor and the same is evident from the documents which form a part of the Arbitration Proceedings between the parties. In the present case, there neither exists any debt nor default with the mere fact that whether there was a default committed by the Corporate Debtor and whether there exists a debt due and payable by the Corporate Debtor to the Petitioners is being adjudicated upon in the Arbitration Proceedings between the parties. The Petition is therefore clearly devoid of any merits and ought to be dismissed when there is sufficient doubt with respect to the Petitioners' case.
- d. The arbitration proceedings between the parties arose out of same DTD and for the same allegations as raised in the present Petition. In the said arbitral proceedings, the Petitioners are Respondents having filed a counter claim for an award of a sum of Rs. 73,56,59,238/-. The Petitioners have themselves admitted that the sum claimed by them under the DTD is subject to adjudication and will be due and payable only if they succeed in the arbitration after the trial is complete. Thus, there is no debt due to the Petitioners by the Corporate Debtor as on the date of filing of the present Petition.
- e. The Petitioner No. 2 filed a Term Sheet dated 07.02.2019 committing to invest an aggregate sum of Rs. 100 Crores in the form of Rs. 20 Crores towards CCPS and Rs. 80 Crores towards NCDs. At the

instance of the Petitioner No. 2, the NCDs investment of Rs. 80 Crores was split into two tranches of Rs. 72 Crores and Rs. 8 Crores. While the first tranche of Rs. 72 Crores was paid, the Petitioners defaulted in making payment of the second tranche of Rs. 8 Crores. On account of this default made by the Petitioners by not making the payment of the second tranche of Rs. 8 Crores, the Corporate Debtor raised a dispute with regard to the payment of the first coupon, whereas, the Petitioners issued an Event of Default Notice on 16.10.2019. The Corporate Debtor therefore filed a Commercial Arbitration Petition No. 1536 of 2019 in the Bombay High Court. The dispute before the Arbitrator as to whether the Corporate Debtors are liable or not to make payment to the Petitioners is pending determination. The Petitioners themselves sought to overreach the Arbitral Tribunal, after having consented to refer the disputes to arbitration. The very consent of the Petitioners to refer the disputes to Arbitration is itself a manifestation of the admission on the part of the Petitioners that the amount is not due and payable until the conclusion of the Arbitration Proceedings as a whole.

- f. The entire basis for filing the present Petition is that the Corporate Debtor failed to make payment of the coupon amount of Rs. 2,18,95,890.41/- which was an Event of Default as per the DTD and therefore, the Petitioners claimed the entire investment amount from the Corporate Debtor. However, the Petitioners have themselves failed in their obligation to make payment of the second tranche investment amount of Rs. 8 Crores. The payment of coupon (i.e. interest) was considered to be Interest During the Construction (IDC) phase and was accordingly factored in the amounts to be disbursed by the Petitioners. Since the Petitioners failed to make payment of the second tranche investment amount of Rs. 8 Crores, the coupon/ interest amount of Rs. 2,18,95,890.41/- which was factored to be paid

by the Corporate Debtor from this amount itself could not be paid. Therefore, since the failure to make interest payment was on account of the Petitioners and these obligations were interlinked, when the Petitioners had themselves not complied with their obligation under the DTD, the Corporate debtor also could not perform its obligation of making payment of coupon/ interest amount of Rs. 2,18,95,890.41/-. Therefore, there is no default on the part of the Corporate Debtor and accordingly, the present Petition is not maintainable.

- g. The Petitioners invoked pledge of shares of the Corporate Debtor created by Mr. Ashok Rajani and transferred to themselves 26,60,000 shares of the Corporate Debtor upon issuance of the Recall Letter dated 16.10.2019. However, the Petitioners had a right to either invoke the pledge and sell the shares directly or transfer the same to them as per the Share Pledge Agreement. There is a mechanism provided under the Share Pledge Agreement in case the Petitioners intended to invoke the pledge for the purposes of sale of the shares. The Petitioners did not follow this mechanism provided under the Share Pledge Agreement and unilaterally transferred these abovesaid 26,60,000 shares to themselves. Accordingly, upon this unilateral transfer of shares by the Petitioners to themselves, the Petitioners became owners of these Equity Shares as on the date of transfer and accordingly, had also acquired the right to exercise voting rights with respect to these Equity Shares. So, the Petitioners actually exercised their option to convert their investment into equity shares. Therefore, the value to be prescribed for this conversion to Equity Shares is the market value as on the date of the transfer of these shares by the Petitioners in their favour.
- h. As part of the security given to the Petitioners at the time of execution of the Debenture Trust Deed, Mr. Ashok Rajani had

pledged 26,60,000 shares held by him in the Corporate Debtor. The pledge of 26,60,000 shares was recorded in the Demat Account of Mr. Ashok Rajani in accordance with the provisions of the Depositories Act, 1996. Upon the said invocation of pledge on 18.10.2019, the pledged shares were transferred to the Demat Account of the Petitioners and the Petitioners became the owners of the shares. Thereafter, the Petitioners deemed to have received the full market value of 26,60,000 shares as on 18.10.2019. The market price of the shares of the Corporate Debtor was Rs. 345.05 per share as on 18.10.2019. Thus, the Petitioners received an aggregate consideration of Rs. 91,78,33,000/- being the value of 26,60,000 shares which were transferred into their account. In the circumstances, having received an aggregate sum of Rs. 91,78,33,000/-, the alleged debt, if any, due by the Corporate Debtor to the Petitioners, stood fully paid to the Petitioners, and there is no amount due and payable thereafter by the Corporate Debtor to the Petitioners. Despite having received the value amount of the alleged debt, in the value of 26,60,000 shares amounting to Rs. 91,78,33,000/-, the Petitioners have suppressed this relevant and vital information and filed the above company petition in gross abuse of the process of law. The alleged debt is a result of the Petitioners' own fault in selling the shares at the wrong time and manner, which resulted in loss of market cap of the Corporate Debtor's shares. After the Petitioners started to sell the shares, the price dropped from Rs. 353.95 on 22.10.2019 to Rs. 66.10 as on 10.12.2019. As soon as the Petitioners stopped selling the shares w.e.f. 10.12.2019, the price went up to Rs. 130.75 as on 27.12.2019. The share markets, both global and domestic, had been severely impacted due to the outbreak of Covid-19 pandemic. The Petitioners in complete defiance to a normal and logical trading practice, from March 16, 2020 onwards

(i.e. after the outbreak of Covid-19 pandemic), again started selling the Corporate Debtor's shares in very high volumes and brought the share price to as low as Rs. 36.50 per share. All throughout, the Petitioners had been selling the Corporate Debtor's shares below the Last Traded Price so as to ensure that price of the Corporate Debtor's scrip is anyhow brought down. It is therefore, submitted that the so-called debt is artificially created on account of indiscriminate and arbitrary sale of shares, and hence the Petitioner has only itself to blame. In the circumstances, there exists no actual or real debt. It is therefore requested that the above Company Petition be dismissed *in limine* with costs.

- i. As on the date of the transfer, the value of these shares was Rs. 91,78,33,000/- and therefore, after adjusting the alleged outstanding amount of Rs. 91,78,33,000/-, the entire purported debt of the Petitioners stands extinguished and it is the Petitioners who are liable to refund the balance amount of Rs. 13,83,40,487/- to Mr. Ashok Rajani, the erstwhile holder of these shares. Admittedly, the Petitioners are also holding 10,23,495 shares out of these shares of the Corporate Debtor. Therefore, since there is no debt due and payable by the Corporate Debtor, the present Petition is not maintainable.

Findings:

8. The issue which arises for consideration is whether there is an existence of financial debt in terms of Debenture Trust Deed (DTD) and default committed by the Corporate Debtor as envisaged in the events of default.
9. This is a joint Petition by Debenture Trustee and Debenture Holder. By way of Debenture Trust Dated 08.03.2019, the Corporate Debtor issued secured unrated redeemable non-convertible debentures of Rs. 72 crores

to Petitioner No. 3 being Debenture Holder, the Petitioner No. 1 was appointed as the Debenture Trustee. The first Supplemental Agreement dated 02.03.2019 was executed by the parties. The Petitioner No. 3 has paid a sum of Rs. 72 crores on 11.03.2019. Under Clause 5.4 r/w Schedule 3 of the said Deed, the Corporate Debtor was liable to pay the first Coupon/Interest to the Petitioner No. 3 on 11.03.2019. However, despite extension of grace period till 15.10.2019, the Corporate Debtor defaulted in making the payment of coupon amount of Rs. 2,18,95,890.41/-. The non-payment of monies as agreed under the agreement triggered event of default which entitled the petitioner no. 3 to recall the entire redemption amount of Rs., 77,94,92,513/-. The Petitioners issued Recall Notice dated 16.10.2019 calling upon the Corporate Debtor to repay the entire redemption amount. In view of failure to pay the said amounts, the Petitioners have filed the present Petition seeking initiation of the CIRP process against the Corporate Debtor.

10. The Corporate Debtor invoked arbitration against the Petitioners alleging breach of the said deed and thereby claiming the damages, the Petitioners also raised a counter claim. The Arbitral Tribunal has passed an Interim Award dated 24.03.2021 of Rs. 72,06,99,224/- along with interest stipulated therein in favour of the Petitioners.
11. The Corporate Debtor claimed that the Petition is not maintainable and the Petitioners has no authority to file the Petition. The Petitioners had subscribed to the first tranche of NCDs of Rs. 72 crores but failed to subscribe the second tranche of Rs. 8 crores. The Corporate Debtor further claim that there is no default as per the provisions of DTD r/w contemporaneous correspondences exchanged between the parties prior and post execution of DTD.
12. The present Petition was filed on 27.11.2019, however, prior thereto the Arbitration Clause in DTD was invoked by the Corporate Debtor on

12.09.2019 and an Application under Section 9 of the Arbitration Act before Hon'ble Bombay High Court. By orders dated 18.11.2019, the Hon'ble Bombay High Court recorded the consent of both the parties to proceed the arbitration and appointed the Arbitrator. The Learned Arbitrator had passed an Interim Award on 24.03.2021. The Corporate Debtor claimed that the Petitioners had elected to have their claim adjudicated by the Learned Arbitrator and cannot agitate the present action.

13. The Corporate Debtor further contended that there is no debt due and payable to the Petitioner by the Corporate Debtor and that the coupon interest amount of Rs. 2,18,95,890.41/- though was not paid, the Petitioner invoked a pledge of shares and transferred themselves 26,60,000 shares of the Corporate Debtor Company. The Petitioner did not follow the mechanism relating to Share Pledge Agreement and unilaterally transferred these shares to themselves. By virtue of transfer of shares, the Petitioners have acquired the voting rights to this equity shares.
14. Further the Corporate debtor also claimed that by virtue of Section 12 of Depositories Act, 1996 r/w Section 79(8) of SEBI (Depository Participants) Regulation 2018, the Petitioners became beneficial owners of the pledged shares and simultaneously members of the Corporate Debtor Company within the meaning of Section 2(6) of Companies Act, 2013. The value of 26,16,000 shares is aggregating to Rs. 91,78,33,000/- but however, the Petitioners started to sell the shares. When the share price is dropped from Rs. 353.95 on 22.10.2019 to Rs. 66.10 as on 10.12.2019, the Petitioners stopped selling shares and the price of the share went up to 130.75 as on 27.12.2019. The Corporate Debtor then stated that the value of the shares is beyond the outstanding debt and as such there is no debt payable to the Petitioner.

15. It is the case of Corporate Debtor that the Petitioner is not a Financial Creditor in view of the Interim Award passed by the Arbitrator at the settled law that the decree holder is not the financial creditor. The Corporate Debtor also pointed that the Petitioners were required to infuse Rs. 100 crores by way of Compulsorily Convertible Preference Shares (CCPS) and Non-Convertible Debentures (NCDs) and the Corporate Debtor were intended to procure additional funds for his expansion projects. The failure on the part of the Petitioners in infusing 100 crores led to the domino effect and the Corporate Debtor is not able to secure the additional funding. The Corporate Debtor sent CP satisfaction Notice vide email on 11.7.2019 and requested for disbursement of second tranche but however, the Petitioners on 26.07.2019 expressed his inability to disburse the balance amount. In view of the fact that the second tranche payment was not released by the Petitioners, the Corporate Debtor suffered huge losses. The relevant email is as follows:

“Dear Amrit:

As discussed this afternoon, we explained why we have not disbursed the balance Rs. 8 crore.

I had also mentioned in the past that we were trying to sell down some portion of our current exposure to make room for the balance of Rs. 8 crore. Unfortunately, the general market liquidity, as you are aware, has been tight.

Let us know whether you want us to amend the NCD document down to Rs. 72 crore?”

16. Given the factual matrix, it can be said that the execution of DTD dated 08.03.2019 and Supplementary Trust Deed dated 22.03.2019 demonstrate existence of Financial Debt in pursuance of Section 5(c) of the Code and the essential ingredients of

debt which is disbursed against consideration of time value and money is thus satisfied. It is undisputed fact that an amount of Rs. 72 crores was disbursed by the Petitioner No. 3 to the Corporate Debtor as on 11.03.2019. The Petitioner No. 3 further was not able to disburse the second tranche and sought amendment of the DTD vide email dated 26.07.2019. The first coupon was payable by the Corporate Debtor as on 11.09.2019, however, despite extension of grace period till 15.10.2019, the Corporate Debtor failed to make the payment of Rs. 2,18,95,890.41/- as on 15.10.2019. The non-payment of the coupon interest rate triggered the event of default and the Petitioners issued notice dated 16.10.2019 calling upon the Corporate Debtor to pay the entire redemption amount of Rs. 77,94,92,513/- on or before 17.10.2019. The events of default as contemplated under the DTD stipulate that on occurrence of default and nonpayment of coupon, the entire amount of outstanding loan became due and payable. Thus, the rights of the Debenture Holder/ Debenture Trustee crystalized immediately upon default and the rights of the Petitioners are well defined under the DTD. The Events of defaults is as follows:

The occurrence of payment default constitutes an event of default (an “event of default”) for the purposes of DTD;

(a) Payment Default:

The company does not pay on the due date any amount payable by it pursuant to a Transaction Document (including limitation, any principal amount of any Debenture, Redemption Premium, Coupon, early redemption amount and / or redemption amount) at the place and strictly in the manner in which it is expressed to be payable in stated in this Deed;

(b) To declare the obligations in respect of the debentures payable under the transaction documents to be immediately due and payable;

(c) Right to exercise such other rights as may be available to the debenture trustee (for the benefit of Debenture Holders) under the Transaction Documents or under Application Laws.

17. The essential ingredients of Section 7 Application, i.e., financial debt under Section 5(8) of the Code and the default under Section 3(2) of the Code are met. The Petition was filed on 28.11.2019. Thereafter, the Corporate Debtor has invoked the Arbitration Clause under Section 9 of the Code and the Arbitrator was appointed by the Bombay High Court. The Interim Award was passed by the Arbitrator wherein he has directed the Corporate Debtor to pay an amount of Rs. 72,06,99,224/- with further interest. This further demonstrates the existence of default and debt notwithstanding the fact that the objection raised by the Corporate Debtor that by virtue of passing of Interim Award, this petition is not maintainable under section 7 and has to be treated as an application of section 9 of the code. the petition was filed prior in time before the commencement of arbitration proceedings and the Petitioners have exercised their rights of initiation of CIRP against the Corporate Debtor under the Code. In view of the Judgement of the Hon'ble Supreme Court in ***Innovative Industries Ltd. vs. ICICI Bank and Ors.*** (MANU/SC/1063/2017), wherein the Hon'ble Supreme Court has held that:

“28. When it comes to a financial creditor triggering the process, Section 7 becomes relevant. Under the explanation to Section 7(1), a default is in respect of a financial debt owed to any financial creditor of the corporate debtor – it need not be a debt owed to the applicant financial creditor. The speed, within which the adjudicating authority is to ascertain the existence of a default from there cords of the information utility

or on the basis of evidence furnished by the financial creditor, is important. This it must do within 14 days of the receipt of the application. It is at the stage of Section 7(5), where the adjudicating authority is to be satisfied that a default has occurred, that the corporate debtor is entitled to point out that a default has not occurred in the sense that the "debt", which may also include a disputed claim, is not due. A debt may not be due if it is not payable in law or in fact. The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority.....

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

(Emphasis Supplied)

18. The Adjudicating Authority has to look in to the aspects of the debt and the default while deciding an Application under Section 7 of the Code. The contentions of the Corporate Debtor that Petition is not

maintainable, the Petitioner has no authority to file the Petition, the Petitioner has waived his rights under the Code by electing the remedy under Arbitration Act, 1996 is untenable. In fact, the Petition has been jointly filed by the Petitioners which has been permissible under the Code. There has been a debt and non-payment of coupon interest as on 15.10.2019 which triggered the event of default and the rights of claiming redemption of entire amount is guaranteed under DTD. Therefore, this Bench notes that the passing of Interim Award only confirms the debt by the Arbitrator and thus, all the allegations regarding wrong invocation of pledge etc. are misconceived and the Petitioners has the right to affect the sale of pledge share in any manner it deems fit. In the light of the aforesaid, this Bench is of the opinion that there is a clear debt and default on the part of the Corporate Debtor and the Petition deserves admission.

19. This Bench, on perusal of the documents filed by the Petitioner, is of the view that the Corporate Debtor defaulted in repaying the loan outstanding amount. In the light of above facts and circumstances, the existence of debt and default is reasonably established by the Petitioner as a major constituent for admission of a Petition under Section 7 of the Code. Therefore, the Petition under sub-section (2) of Section 7 is taken as complete, accordingly this Bench here by admits this Petition prohibiting all of the following of item-(I), namely:

(I) (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 Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act);

(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.

(II) That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period.

(III) That the provisions of sub-section (1) of Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

(IV) That the order of moratorium shall have effect from the date of pronouncement 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 or passes an order for liquidation of Corporate Debtor under Section 33, as the case maybe.

(V) That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under Section 13 of the Code.

(VI) That this Bench hereby appoints, Mr. Anuj Bajpai, having Registration No. IBBI/IPA-001/IP-P00311/2017-2018/10575 as

Interim Resolution Professional to carry the functions as mentioned under Insolvency & Bankruptcy Code.

20. The Petition is hereby “Admitted”. The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of order.
21. The Registry is hereby directed to communicate this order to both the parties and the Interim Resolution Professional immediately.

Sd/-
Chandra Bhan Singh
Member (Technical)

Sd/-
Suchitra Kanuparthi
Member (Judicial)