

**THE NATIONAL COMPANY LAW TRIBUNAL
PRINCIPAL BENCH
AT NEW DELHI**

Company Petition No. (IB)-922 (PB)/2018

**Under Section 7 of the Insolvency and Bankruptcy Code,
2016**

In the matter of:

State Bank of India

Applicant/Financial Creditor

Vs.

M/s Advance Surfactants India Limited

Respondent/Corporate Debtor

Judgment delivered on: 28.05.2019

CORAM

MR. CHIEF JUSTICE (RTD.) M. M. KUMAR HON'BLE PRESIDENT

MR. S. K. MOHAPATRA, MEMBER (TECHNICAL)

For Applicant/Petitioner:

Mr. Vipin Jai, Advocate.

For the Respondent(s):

Mr. Abhishek Attri, Advocate.



ORDER

S. K. Mohapatra, Member

1. State Bank of India has filed the instant application under Section 7 of the Insolvency and Bankruptcy Code, 2016 (for brevity 'the Code') read with rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (for brevity 'the Rules') with a prayer to trigger Corporate Insolvency Resolution Process in respect of respondent Company M/s Advance Surfactants India Limited referred to as the corporate debtor.
2. The Respondent Company M/s Advance Surfactants India Limited. (CIN No. U 74899 DL 1998 PLC 095458) against whom initiation of Corporate Insolvency Resolution Process has been prayed for, was incorporated on 10.08.1998 having its registered office situated at 511/2/1, Village Rajokari, New Delhi - 110 038. Since the registered office of the respondent corporate debtor is in New Delhi, this Tribunal having territorial jurisdiction over the NCT of



Delhi is the Adjudicating Authority in relation to the prayer for initiation of Corporate Insolvency Resolution Process in respect of respondent corporate debtor under sub-section (1) of Section 60 of the Code.

3. It is appropriate to mention that the applicant State Bank of India, is a body corporate constituted under the State Bank of India Act, 1955 having its Corporate Office at A/9, Vidhan Bhavan Marg, State Bank Bhawan, Madame Cama Road, Nariman Point, Mumbai-400021.
4. Shri Sudhir Kumar Pandeya, Assistant General Manager and authorized representative of the applicant bank, has preferred the present application on behalf of the applicant for initiation of corporate insolvency resolution process against the respondent corporate debtor in terms of the provisions of the Code.
5. The applicant bank has filed the present application under Section 7 of the Code in the requisite FORM-1 to initiate Corporate Insolvency Resolution Process against the respondent Corporate



Debtor. Form-1 filed under Section 7 of the Code read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 shows that the required information and other facts as prescribed have been furnished. The applicant bank has annexed to the application detail particulars of 'financial debt' including documents, records and evidence of default as required under subsection 3 (a) of the Code. On a bare perusal of the Form reveals that the same is complete in all respect and there is no infirmity in the same.

6. Sub-section (3) (b) of Section 7 of the Code further mandates the financial creditor to furnish the name of an Interim Resolution Professional. In compliance thereof the applicant has proposed the name of Mr. K.G. Somani, for appointment as Interim Resolution Professional having registration number IBBI / IPA-001 / IP-P00300/ 2017-18 / 10544 resident of 3/15, Asaf Ali Road, New Delhi – 110002. Mr. K.G. Somani has agreed to accept the appointment as the interim resolution professional



and has signed a communication dated 21.07.2018 in Form 2 in terms of Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. There is a declaration made by him that no disciplinary proceedings are pending against him in Insolvency and Bankruptcy Board of India or elsewhere. In addition, further necessary disclosures have been made by Mr. K.G. Somani as per the requirement of the IBBI Regulations. Accordingly, it is seen that the requirement of Section 7 (3) (b) of the Code has been satisfied.

7. As per part IV of the application it is claimed that a sum of Rs.157,25,13,562.32/- (Rupees One Hundred Fifty-Seven Crore Twenty-Five Lakhs Thirteen Thousand Five Hundred Sixty-Two Paise Thirty-Two Only) is due from the respondent company as on 22.07.2018 along with *pendentelite* interest till the payment.
8. Applicant Bank has also filed the relevant statement of accounts along with certificate under Section 2A of the Banker's Books of Evidence Act,



1891. The account wise defaults made by the respondent corporate debtor, as provided in the application, along with the computation of table of amounts have been placed on record. The details of the amount due from the corporate debtor in favour of the applicant financial creditor as claimed in the application are as follows:

Sr. No.	Nature of Facility	Outstanding amount besides interest from
A.	Cash Credit	A/c No. 10500297237
i.	Outstanding along with interest up to 27.12.2015	Rs.111,52,02,247.33
ii.	Accrued interest from 28.12.2015 to 22.07.2018	Rs. 39,15,11,788.27
Total(A)		Rs.156,67,14,035.60

B.	Term Loan- I	A/c No.32162831422
i.	Outstanding amount long with interest up to 27.12.2015	Rs.1,72,24,737.00
ii.	Accrued interest from 28.12.2015 to 22.07.2018	Rs.54,88,373.76
Total(B)		Rs.1,17,36,363.24



C.	Term Loan – II	A/c No.32785148185
i.	Outstanding amount along with interest up to 27,12,2015	Rs.3,70,69,275.00
ii.	Accrued interest from 28.12.2015 to 22.07.2018	Rs.147,21,295.93
Total(C)		Rs.5,17,90,570.93

D.	BG-RA	A/c no 37252561086
i.	Outstanding amount along with interest up to 27.12.2015	Rs.20,69,000.00
ii.	Accrued interest from 28.12.2015 o 22.07.2018	Rs.2,03,592.55
Total(D)		Rs.22,72,592.55
Grand Total (A+B+C+D)		Rs.157,25,13,562.32

9. It is the case of the applicant that the Petitioner bank along with other banks sanctioned various credit facilities to the respondent Corporate Debtor. On the request of Corporate Debtor, the petitioner granted /restructured the following credit/loan



facilities to the respondent Corporate Debtor from time to time as detailed below:

Date	Loan Facility / Amount in crores
31.03.2005	CC(H) :Rs.3.80 WCTL :Rs.1.70 Term Loans :Rs.8.36 FITL :Rs.1.64 BG :Rs.0.30 L.C. :Rs.0.30
01.05.2007	CC(H) :Rs.3,80 WCTL :Rs.1.68 Adhoc EPC :Rs.2.00 Term Loans : Rs.8.32 BG : Rs.0.30 L.C. : Rs.0.30
28.09.2017:	CC(H) :Rs.3.80 WCTL :Rs.1.66 EPC :Rs.4.00 Term Loans :Rs.8.25 BG :Rs.0.30 L.C. :Rs.0.30
30.11.2007	CC(H) :Rs.3.80 WCTL :Rs.1.66 EPC :Rs.4.00 Term Loans :Rs.8.25 BG :Rs.0.30 L.C. :Rs.0.30 Adhoc LC :Rs.2.00



31.12.2007	CC(H)	:Rs.4.00
	EPC	:Rs.6.00
	FBP/FBD	:Rs.4.00
	WCTL	:Rs.1.66
	Term Loans	:Rs.8.25
	BG	:Rs.0.50
	L.C.	:Rs.5.00
13.07.2009	CC(H)	:Rs.13.25
	EPC	:Rs.6.00
	FBP/FBD	:Rs. 4.00
	WCTL	:Rs.1.57
	Term Loans	:Rs.7.80
	Corp. Loan	:Rs.6.00
	BG	:Rs.1.00
	L.C.	:Rs.23.00
	Forward	:Rs.1.50
	Contract SLC	:Rs.5.00
	04.01.2019	CC(H)
FBP/FBD		:Rs.4.00
Term Loans		:Rs.7.08
BG		:Rs.1.00
L.C.		:Rs.23.00
Corp. Loan		:Rs.3.37
Forward Con.		:Rs.1.50
03.11.2011	CC(H)	:Rs.13.25
	EPC/PCFC	:Rs.5.00
	FBP/FBD	:Rs.5.00
	WCTL	:Rs.1.11
	Term Loans	:Rs.16.62
	Corp. Loan	:Rs.1.44
	BG	:Rs.1.00
	L.C.	:Rs.23.00
	Forward Contract	:Rs.1.50



23.01.2012	CC(H)	:Rs.38.25
	WCTL	:Rs.1.07
	Term Loans	:Rs.16.44
	Corp. Loan	:Rs.1.25
	BG	:Rs.1.00
	LC	:Rs.43.00
	For Contract	:Rs.1.50
19.11.2012	CC(H)	:Rs.100.00
	Term Loans	:Rs.12.92
	BG	:Rs.1.00
	L.C.	:Rs.19.00
	Derivative/FC	:Rs.1.50

9. In respect of each enhancement / renewal/ additional sanction of credit facilities; security documents were duly executed by the respondent Corporate Debtor in order to secure the respective additional debts.

10. Petitioner bank along with Yes Bank and IDBI Bank (hereinafter collectively referred to as Consortium Bankers) granted the Working Capital Facilities amounting to Rs. 249.50 crores as a part of the Consortium of which the Petitioner was the Lead Bank. The share of the Petitioner in respect of the



Working Capital Facilities granted to Corporate Debtor was Rs.126.50 crores.

11. That after having received the respective sanction letters from the Petitioner and Yes Bank and IDBI Bank in consideration to the grant of the aforesaid credit facilities, the following consortium documents were signed and executed by Corporate Debtor, as borrower and guarantors, in favour of the Consortium Bankers for the Working Capital facilities of Rs.249.50 Crores: -

- a. *Working Capital Consortium Agreement dated 13.02.2013.*
- b. *Joint Deed of Hypothecation dated 13.02.2013.*
- c. *Deeds of Guarantee dated 13.02.2013.*
- d. *Omnibus Counter Guarantee dated 13.02.2013 executed by Corporate Debtor.*
- e. *Agreement cum Indemnity dated 13.02.2013.*
- f. *Letter of undertaking dated 13.02.2013.*
- g. *Link Letter dated 25.01.2012.*



12. That Consortium Bankers, consisting of Petitioner and Yes Bank and IDBI Bank, entered into an Inter-se Agreement dated 13.02.2013 regarding the sharing of the hypothecated assets of Corporate Debtor. The Petitioner, thereby and by a Letter of Authority signed and executed by Yes Bank and IDBI Bank, was designated as the Lead Bank of the Consortium.

13. The Corporate Debtor, as borrower and guarantors, signed and executed the following Loan/Guarantee documents dated 13.02.2013 in respect of Term Loan facilities for a sum of Rs. 20.17 Crores granted to the Respondent by the Petitioner:

a. Agreement of Loan dated 13.02.2013 for an Overall Limit of Term Loan of Rs. 20.17 crores.

b. Agreement of Hypothecation of Goods and Assets dated 13.02.2013 for an Overall Limit of Term Loan of Rs. 20.17 crores.



- c. *Inter Se Agreement dated 13.03.2013 amongst Petitioner Bank and Yes Bank Ltd. and IDBI Bank Ltd.*
- d. *Deed of Guarantee dated 13.02.2013 for an Overall Limit of Term Loan of Rs. 20.17 crores.*
- e. *Letter Regarding the Grant of Individual Limits within the Overall Limits dated 13.02.2013 for an Overall Limit of Term Loan of Rs. 20.17 crores.*
- f. *Omnibus Counter Guarantee dated 13.02.2013 for a limit of Rs. 40.00 crores.*
- g. *LC Agreement-cum-Indemnity dated 13.02.2013 for a limit of 40.00 crores.*
- h. *Corporate Debtor signed and executed a letter for CIBIL Consent Clause dated 13.02.2013.*



i. Guarantors also signed and executed a letter for CIBIL Consent Clause dated 13.02.2013.

j. Corporate Debtor signed and executed a letter for Reserve Bank of India (RBI) Consent Clause dated 13.02.2013.

k. Corporate Debtor, as borrower, and guarantors, signed and executed a Link' Letter dated 13.02.2013.

I. Corporate Debtor signed and executed Master Agreement dated 13.02.2013.

14. Moreover, in consideration of the grant of loan facilities to the corporate debtor, equitable mortgage in favour of the Petitioner was created on various dates and in respect of different properties as mentioned in detail in the application.

15. It is submitted that the corporate debtor availed the credit facilities granted to them by the Petitioner. Besides the corporate debtor time and again acknowledged their liability and promised to pay the



outstanding dues vide various letters including letter dated 07.11.2016.

16. The respondent Corporate Debtor agreed to pay interest on the various credit facilities availed by it as per the terms and conditions of the sanction letter.

17. It is pertinent to mention that the corporate debtor, as borrower and guarantor signed and executed Revival Letter dated 31.10.2015 in favour of the Petitioner. The liability has also been acknowledged in the audited Balance Sheet for the period ending 31.03.2015 of the corporate debtor.

18. The applicant has submitted that the Respondent corporate debtor failed to clear the outstanding dues and did not adhere to the terms and conditions of the loan agreement. The account of the corporate debtor was categorized as NPA on 28.12.2015.

19. It is submitted that the Petitioner issued a legal demand notice dated 01.02.2017 to the corporate debtor and guarantors calling upon them to discharge in full their liabilities towards the petitioner



in order to repay the outstanding amount but despite receipt of the said notice the Corporate Debtor and guarantors have failed to liquidate the outstanding amount.

20. On the ground that huge amounts are outstanding and as corporate debtor has committed default in repayment of the debt, it is prayed for initiation of corporate insolvency resolution process against the respondent company by admitting the present application.

21. The respondent corporate debtor has filed its reply on 19.12.2018. Rejoinder to the reply was filed by applicant on 16.01.2019.

22. We have heard the learned counsels for the parties and have perused the case records.

23. The various objections raised by the respondent corporate debtor are discussed below.

24. Respondent company has raised objection that applicant has already filed a recovery application before DRT for recovery of the due amount, if any, against the respondent. It is contended that in view



of Section 18 of the Recovery of Debts and Bankruptcy Act, 1993, this Tribunal does not have jurisdiction to entertain the present application of financial creditor. It is further argued that since the applicant has already invoked the adjudicating remedy under Section 19 of the Recovery of Debts and Bankruptcy Act, 1993, it is precluded from invoking an inconsistent non-adjudicatory mechanism of Insolvency and Bankruptcy Code, 2016.

25. In this regard it is well settled that pendency of proceedings and initiation of action under Debts Due to Banks and Financial Institutions Act, 1993 cannot be an impediment or bar to initiate the Corporate Insolvency Process against the corporate debtor under the provisions of Section 7 of the Code. Simply pendency of proceedings before DRT, cannot be a ground to deny admission of an application under Section 7 of the Code, once the application is complete and there has been commission of default.



26. Insolvency and Bankruptcy Code, 2016 being a complete Code and Union Law, will prevail over other later laws like the Recovery of Debts Due to Banks and Financial Institutions Act, 1993. As per Section 238 of the Code, the provisions of the Code are to be given effect to notwithstanding anything contrary contained in any other later laws.

27. Section 238 of the Code envisages as follows.

“238. Provisions of this Code to override other laws.

The Provisions of this Code shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law.”

28. Hon’ble NCLAT in the matter of M/s. Ksheeraabd Constructions Pvt. Ltd. V. M/s. Vijay Nirman Company Pvt. Ltd. in Company Appeal (AT) (Insolvency) No. 167 of 2017 has observed that:



“The “I & B Code” being a complete code will prevail over other Acts.-----No person can take advantage of pendency of a case to stall “Corporate Insolvency Resolution Process” under the I & B Code”.

29. Similarly, in the case of M/s Innoventive Industries Ltd. V. ICICI Bank and Ors. reported in AIR 2017 SC 4084 Hon'ble Supreme Court has also held at para 56 that:

“The non-obstante clause, in the widest terms possible, is contained in Section 238 of the Code, so that any right of the corporate debtor under any other law cannot come in the way of the Code”.

30. Therefore, in view of the overriding effect of Section 238 of the Code, Section 18 and 19 of the Recovery of Debts and Bankruptcy Act, 1993, cannot stop a financial creditor to pursue its application under



Section 7 of the Code in case of default in re-payment of the financial debt.

31. In view of the above discussion, the objection in this regard will not sustain as initiation and pendency of proceedings in different forums is no bar for initiation of Corporate Insolvency Resolution Process under Section 7 of the Code in view of the overriding effect given to the provisions of Section 238 of the Code.
32. There is also an objection that the financial creditor has failed to comply with the requirements of Section 7 of the Code. In this connection it is seen that the present application under Section 7 of the Code for initiation of Corporate Resolution Insolvency Process has been filed by petitioner financial creditor in Form-1 in terms of Rule 4 of Insolvency and Bankruptcy (application to Adjudicating Authority) Rules, 2016 accompanied with required information, documents and records as prescribed under the Rules.



33. The applicant bank *inert-alia* has annexed to the application detail particulars of 'financial debt' including documents, records and evidence of default as required under subsection 3 (a) of Section 7 of the Code. It is reiterated that the Form-1 filed in the present case under Section 7 of the Code read with Rule 4 of the Rules, shows that the Form is complete in all respect and there is no infirmity in the same.
34. In the reply respondent has further submitted that it faced numerous difficulties in running the affairs of the company. The reply largely deals with the fact that the company faced many challenges in its operation. Besides, respondent has also blamed the financial creditors in causing financial loss to the company. It is further alleged that there are disputed and complicated questions of facts involved in the present matter which cannot be decided summarily in present proceedings.
35. These issues are irrelevant for the disposal of the present proceeding filed under the Code. Initiation of CIRP under Section 7 of the Code is not an adversary



litigation. It is neither a recovery proceeding nor can be treated to be a suit or case pending for decision on merit.

36. Hon'ble Supreme Court in the case of *Mobilox Innovations Private Limited V. Kirusa Software Private Limited* reported in AIR 2017 SC 4532 at Para 19 has observed that:

*“Once the adjudicating authority / Tribunal is satisfied as to the existence of the default and has ensured that the application is complete and no disciplinary proceedings are pending against the proposed resolution professional, it shall admit the application. **The adjudicating authority / Tribunal is not required to look into any other criteria for admission of the application.**”*

(Emphasis given)

37. Adjudicating Authority cannot decide issue of claim of loss, claim of collusion including disputed issues, which can be decided by the court of



competent jurisdiction. Thus, any facts unrelated or beyond the requirement of the Code are not required to be considered and such narrations cannot be a ground to reject the application filed under Section 7 of the code.

38. The corporate debtor is entitled to point out to the Adjudicating Authority that a default has not occurred; in the sense that a debt, which may also include a disputed claim is not due i.e. it is not payable in law or in fact. Respondent Corporate Debtor has miserably failed to raise any good defense against the petition and also has failed to place its updated financial statement to show that no financial debt is due.

39. On the contrary the applicant bank has placed various documents in relation to the disbursement of the loan to the respondent company. The materials on record and the loan documents clearly depict that the loan was sanctioned, disbursed and the loan agreements were properly executed. Respondent company utilized and enjoyed the loan facility from



time to time. The applicant bank has placed on record several balance and security confirmation letters duly signed by the respondent company. Additionally, the applicant has also placed on record revival letters executed by the respondent company acknowledging the utilization of credit facilities. That apart the applicant has relied upon the letter of respondent company confirming creation of mortgage by deposit of title deeds in order to secure the loan. The charge certificate and the Master data of the respondent company, placed on record, supports the claim of creation and modification of charge to secure the loan facility availed from the applicant bank.

40. Besides applicant bank has placed on record CIBIL Report as a record of default in support of its contention of non-repayment of loan. The applicant bank has also furnished a copy of the Balance sheet and financial statements of the corporate debtor for the financial year ending 31st March 2015, which *inter alia* reveals that huge debts are outstanding to the



applicant bank and that default has occurred in repayment of the outstanding financial debts.

41. In addition, applicant bank has filed the statement of accounts duly certified in accordance with Bankers' Books Evidence Act, 1891 as per requirement of Form 1-part V column 7 of the application. Certified copy of statement of account pertaining to various loan facilities, kept during the course of banking business basing on which the claim has been raised can be termed as sufficient evidence of the financial debt.

42. It is thus seen that the applicant 'financial creditor' has placed on record voluminous and overwhelming evidence in support of the claim as well as to prove the default.

43. It is pertinent to mention here that the Code requires the adjudicating authority to only ascertain and record satisfaction in a summary adjudication as to the occurrence of default before admitting the application. The material on record clearly goes to show that respondent had availed the loan facilities



and has committed default in repayment of the outstanding loan amount.

44. It is pertinent to mention here that the scheme of the Code provides for triggering the insolvency resolution process by three categories of persons namely,

- a) Financial creditor
- b) Operational creditor, and
- c) Corporate debtor itself.

45. The procedure in relation to the Initiation of Corporate Insolvency Resolution Process by the “Financial Creditor” is delineated under Section 7 of the Code, wherein only “Financial Creditor” / “Financial Creditors” can file an application. As per Section 7(1) of the Code, an application could be maintained by a Financial Creditor either by itself or jointly with other Financial Creditors.

46. The expressions “Financial Creditor” and “Financial debt” have been defined in Section 5 (7) and 5 (8) of the Code and precisely “Financial debt” is



a debt along with interest, if any, which is disbursed against the consideration for time value of money.

47. In the present case applicant bank had sanctioned and disbursed the term loan amount recoverable with applicable interest by entering in to loan agreements with the corporate debtor. The corporate debtor had borrowed the credit facility against payment of interest as agreed between the parties. The loan was disbursed against the consideration for time value of money with a clear commercial effect of borrowing. Moreover, the debt claimed in the present application includes both the component of outstanding principal and interest. In that view of the matter not only the present claim comes within the purview of '*Financial Debt*' but also the applicant bank can clearly be termed as '*Financial Creditor*' so as to prefer the present application under Section 7 of the Code.

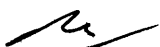
48. The application filed by the applicant financial creditor under sub-section 5 (a) of Section 7 of the code, has to be admitted on satisfaction that:



- I. *Default has occurred.*
- II. *Application is complete, and*
- III. *No disciplinary proceeding against the proposed IRP is pending.*

49. An application under Section 7 of the Code is acceptable so long as the debt is proved to be due and there has been occurrence of existence of default. What is material is that the default is at least 1 lakh. In view of Section 4 of the Code, the moment default is of Rupees one lakh or more, the application to trigger Corporate Insolvency Resolution Process under the Code is maintainable.

50. In the facts it is seen that the applicant bank clearly comes within the definition of Financial Creditor. The material placed on record further confirms that applicant financial creditor had disbursed various loan facilities to the respondent corporate debtor and the respondent has availed the loan and committed default in repayment of the outstanding financial debt. On a bare perusal of Form



– I filed under Section 7 of the Code read with Rule 4 of the Rules shows that the form is complete and there is no infirmity in the same. It is also seen that there is no disciplinary proceeding pending against the proposed IRP. We are satisfied that the present application is complete in all respect and the applicant financial creditor is entitled to claim its outstanding financial debt from the corporate debtor and that there has been default in payment of the financial debt.

51. As a sequel to the above discussion and in terms of Section 7 (5) (a) of the Code, the present application is admitted.
52. Mr. K.G. Somani having registration number IBBI / IPA-001 / IP-P00300/ 2017-18 / 10544 resident of 3/15, Asaf Ali Road, New Delhi – 110002. is appointed as an Interim Resolution Professional.
53. In pursuance of Section 13 (2) of the Code, we direct that public announcement shall be made by the Interim Resolution Professional immediately (3 days as prescribed by Explanation to Regulation 6(1) of the



IBBI Regulations, 2016) with regard to admission of this application under Section 7 of the Insolvency & Bankruptcy Code, 2016.

54. We also declare moratorium in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flows from the provisions of Section 14 (1) (a), (b), (c) & (d) of the Code. Thus, the following prohibitions are imposed:

“(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;

(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.”

55. It is made clear that the provisions of moratorium shall not apply to transactions which might be notified by the Central Government or the supply of the essential goods or services to the Corporate Debtor as may be specified, are not to be terminated or suspended or interrupted during the moratorium period. In addition, as per the Insolvency and Bankruptcy Code (Amendment) Act, 2018 which has come into force w.e.f. 06.06.2018, the provisions of moratorium shall not apply to the surety in a contract of guarantee to the corporate debtor in terms of Section 14 (3) (b) of the Code.

56. The Interim Resolution Professional shall perform all his functions contemplated, inter-alia, by Sections 15, 17, 18, 19, 20 & 21 of the Code and transact



proceedings with utmost dedication, honesty and strictly in accordance with the provisions of the Code, Rules and Regulations. It is further made clear that all the personnel connected with the Corporate Debtor, its promoters or any other person associated with the Management of the Corporate Debtor are under legal obligation under Section 19 of the Code to extend every assistance and cooperation to the Interim Resolution Professional as may be required by him in managing the day to day affairs of the 'Corporate Debtor'. In case there is any violation committed by the ex-management or any tainted/illegal transaction by ex-directors or anyone else, the Interim Resolution Professional would be at liberty to make appropriate application to this Tribunal with a prayer for passing an appropriate order. The Interim Resolution Professional shall be under duty to protect and preserve the value of the property of the 'Corporate Debtor' as a part of its obligation imposed by Section 20 of the Code and



perform all his functions strictly in accordance with the provisions of the Code, Rules and Regulations.

57. The office is directed to communicate a copy of the order to the Financial Creditor, the Corporate Debtor, the Interim Resolution Professional and the Registrar of Companies, NCT of Delhi & Haryana at the earliest possible but not later than seven days from today. The Registrar of Companies shall update its website by updating the status of 'Corporate Debtor' and specific mention regarding admission of this petition must be notified to the public at large.

Sd/-
28.05.2019
(M.M. KUMAR)
PRESIDENT

Sd/-
(S. K. MOHAPATRA)
MEMBER (T)

Shammy