

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
DIVISION BENCH
COURT - 1

ITEM No.302
C.P.(IB)/239(AHM)2023

Proceedings under Section 7 IBC

IN THE MATTER OF:

Drip Capital Inc.

.....Applicant

V/s

Banwari Enterprises Private Limited

.....Respondent

Order delivered on: 05/07/2024

Coram:

Mr. Shammi Khan, Hon'ble Member(J)

Mr. Sameer Kakar, Hon'ble Member(T)

PRESENT:

For the Applicant :

For the Respondent :

ORDER

(Hybrid Mode)

The case is fixed for pronouncement of the order. The order is pronounced in the open court, vide separate sheet.

-SD-

SAMEER KAKAR
MEMBER (TECHNICAL)

-SD-

SHAMMI KHAN
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
COURT-I**

CP (IB) No.239 of 2023

(An application under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

In the matter of

M/s. Drip Capital Inc.

Having its registered office at:

555 Bryant St.

#356, Palo Alto, CA 94301

United States of America

.....Applicant/Financial Creditor

VERSUS

M/s. Banwari Enterprises Private Limited

401, 4th Floor, Union Trade Centre,

Udhna Darwaja, Nodh 2107-2111,

B/S Apple Hospital, Ring Road,

Surat, Gujarat- 395002.

.....Respondent/Corporate Debtor

Order pronounced on 05.07.2024

CORAM:

MR. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)

MR. SAMEER KAKAR, HON'BLE MEMBER (TECHNICAL)

APPEARANCE:

For Applicant/FC : Mr. Vinay Bairagra, Advocate
For Respondent/CD : Mr. Chaitanya Patel, Advocate

ORDER [Per Bench]

1. The Present Application is filed on 04.10.2023 by the Applicant **M/s. Drip Capital Inc.** (hereinafter referred to as “**Financial Creditor**”) against the Respondent **M/s. Banwari Enterprises Private Limited** (hereinafter referred to as “**Corporate Debtor**”) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “**IBC, 2016**”) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as “**IB (AAA) Rules, 2016**”) for initiation of Corporate Insolvency Resolution Process (**CIRP**), to appoint Interim Resolution Professional (hereinafter referred to as “**IRP**”) and declare the moratorium for having defaulted payment of its outstanding dues **Rs.1,20,54,710.50ps.**

2. On perusal of Part-I of the Form-1 reveals that Financial Creditor- Drip Capital Inc., is having registered office as 555 Bryant St. #356, Palo Alto, CA 94301 United States of America, having identification No. EIN Assigned No.: 47-167445. This application is filed through one Mr. Soumyadri Chattopadhyaya who has been authorised by Board Resolution Dated 18.01.2022 which is annexed at Exhibit-3.
3. On perusal of Part-II of the Form-1 reveals that the Corporate Debtor is one M/s Banwari Enterprises Private Limited having CIN No.U17299GJ2019PTC109071. The Corporate Debtor was incorporated on 12.07.2019, and is having registered office address as 401, 4th Floor, Union Trade Centre, Udhna Darwaja, Nodh2107-2111, B/S Apple Hospital, Ring Road, Surat, Gujarat- 395002.
4. On perusal of Part-III of the Form-1 reveals that the Financial Creditor has named Primus Insolvency Resolution & Valuation Pvt. Ltd., having registration No. IBBI/IPE-0072/IPA-2/2022-23/50002 under section 13 (1)(c) of the Code to act as Interim Resolution Professional (**IRP**). It has

filed its written communication annexed with the Application as Annexure-II as per the requirement of Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

5. On perusal of Part-IV of the Form-1 reveals that total dues as claimed by the Financial Creditor is claiming the default amount of **USD 144,737** (US Dollar One Hundred and Forty Four Thousand Seven Hundred and Thirty Seven Only) approximately equivalent to **INR 1,20,54,710.50** (INR One Crore Twenty Lakh Fifty Four Thousand Seven Hundred and Ten and Fifty Paise only) @ USD- INR rate of 83.28, along with other amounts due as per the Master Agreement and other allied documents. The initial date of default by the Corporate Debtor is mentioned as 10.01.2023.
6. The Advocate appearing on behalf of the Applicant filed a letter in the Registry of the Tribunal on 10.10.2023, stating that as the Financial Creditor is an offshore company based in the United States of America and as the Financial Creditor does not have a PAN card issued by the Central

Government, it is unable to get the record of default from NeSL.

7. It is stated that the Applicant and the Respondent signed term sheet on 30.03.2022, for “Full Recourse Account Purchase and Security Agreement’ dated 11.04.2022, was executed between the parties to this application.
8. At the request of Corporate Debtor from time to time (as specified in Invoice Schedule), the Financial Creditor paid an aggregate amount of USD 131,620.000 (USD One Hundred and Thirty One Thousand Six Hundred and Twenty Only) to Corporate Debtor towards assignment of its 2 invoices. The Invoice Schedule is attached as Exhibit -13.
9. The assignment of invoices was on a full recourse basis to Corporate Debtor i.e., in case the buyer of goods fails to pay the Financial Creditor on the respective Invoice Due Date, upon demand, the Corporate Debtor shall repay the financial debt along with accrued interest and charges.

10. It is stated that the amount of USD 1,31,620.00(USD One Hundred and Thirty One Thousand Six Hundred and Twenty only) were disbursed to the Corporate Debtor on 11.10.2022.
11. The buyer of the Corporate Debtor failed to pay the invoices and the Applicant herein raised a demand notice on 04.01.2023, which is annexed as Exhibit-10.
12. Another opportunity to make payment was extended by the Financial Creditor through its Advocate, who sent a (**“Legal Notice”**) which is dated 16.01.2023 to the Corporate Debtor demanding payment of default amount.
13. The Corporate Debtor vide email dated 21.03.2023, expressly admitted their liability with the commitment to pay the outstanding financial debt. However, the default was not cured.
14. The Applicant has attached further emails from Corporate Debtor dated 18.05.2023, and 11.07.2023, admitting its liability which are placed at Exhibit-12.

15. Since the Corporate Debtor and his buyer failed to pay the invoices and as the exported material of the Corporate Debtor was incurring huge demurrage and as the invoices were already 238 days past their due date, the Financial Creditor intimated the Corporate Debtor vide email dated 18.05.2023, that in exercise of powers under Section 7.7 and 7.8 of the Agreement, the Financial Creditor shall sell the goods to a third party, unless the Corporate Debtor pays the outstanding amount in full, within three days of the said email.

16. The Corporate Debtor failed to pay the admitted financial debt. Accordingly, after waiting for a period of approximately two months, the Financial Creditor vide their email dated 11.07.2023, sent a final intimation to Corporate Debtor regarding the sale of goods at the available market price and reserving the right to recover the balance amount of the unpaid financial debtor from Corporate Debtor. Thereafter, the Financial Creditor sold the goods to a third party, and adjusted the amount received as part payment towards the

dues of Corporate Debtor. The Schedule is provided as Exhibit-13.

17. The Financial Creditor is relying upon the following documents:-

- I. In-principal terms sheet letter dated 30/03/2022 executed by the Corporate Debtor (annexed as Exhibit 5);
- II. 'Full Recourse Account Purchase And Security Agreement' dated 11/04/2022 and the Non-Recourse Rider To Full Recourse Accounts Purchase And Security Agreement dated 11/04/2022(annexed as Exhibit 6);
- III. Invoices containing necessary details that were assigned by Corporate Debtor in favour of Financial Creditor together with packing list (annexed as Exhibit 7[Colly]);
- IV. Purchase Request and Deed of Assignment of Corporate Debtor (annexed as Exhibit 8 [Colly]);
- V. Transaction details evidencing disbursement to Corporate Debtor (annexed as Exhibit-9[Colly]).
- VI. Default cum Demand notice made by the Financial Creditor dated 04/01/2023 against the Corporate Debtor (annexed as Exhibit-10).

- VII. Legal Notice dated 16/01/2023 issued to Corporate Debtor (annexed as Exhibit-11).
 - VIII. Corporate Debtor emails dated 21/03/2023 admitting its liability and email dated 18/05/2023 – 20/05/2023 and 11/07/2023 (annexed as Exhibit-12).
 - IX. Invoice Schedule in a tabular format (annexed as Exhibit-13).
 - X. Demand Promissory Note dated 11/04/2022 issued by the Corporate Debtor in favour of the Financial Creditor (annexed as Exhibit 14).
18. After issuance of notice, Corporate Debtor appeared through Counsel and a reply was filed vide inward diary No. D-5247 dated 20.12.2023, and the same is affirmed by one, Mr. Sahil Kamal Agarwal, being one of the Directors and being authorised to file the present reply on behalf of the Corporate Debtor vide Board Resolution Dated 14.10.2023, having address at 401, Union Trade Centre, Near Apple Hospital, Uddhna Darwaja, Surat -395002. The brief contentions of the Corporate Debtor are as under:-
- I. The present petition is not maintainable as the Applicant does not qualify to be Financial Creditor. In of the above, the Respondent relies upon the Judgment

passed by the Hon'ble Supreme Court in the matter of *Jaypee Infratech Ltd. Interim Resolution Professional vs. Axis Bank Ltd.*, (2020) 8 Scc 401. (ii) the Hon'ble NCLAT, Principal Bench, New-Delhi in the case of *Minions Ventures Pvt. Ltd. TDT Copper Ltd.*, dated 28.03.2023 in Company Appeal (AT) (Ins.) No. 572 of 2022.

- II. The Corporate Debtor admits discounting of 3 invoices amounting to **USD 1,87,500** (US Dollars One Lakhs Eighty Seven Thousand Five Hundred Twenty).
 - III. It is stated that the buyer of the Corporate Debtor was unable to pay due to the fluctuation in global market.
 - IV. The goods were sold by the Applicant herein without the authority.
 - V. The Respondent admits to have a received email from the Applicant dated 18.05.2023, through which the Applicant has informed regarding intended sale.
 - VI. The Applicant does not disclose the amount relies through sale of goods. The Applicant thereafter, seeks thereafter dismissal of the application.
19. A rejoinder was filed by the Applicant vide inward diary No. D-467 dated 17.01.2024, affirmed through Mr. Soumyadri Chattopadhyaya.

- I. Along with the rejoinder the Applicant has filed the record of default with information utility.
- II. The Applicant further states that there is no denial from the Corporate Debtor of having obtained the amount of **USD 131,620.00** and execution of all the documents.
- III. The Applicant has provided factoring services which are covered under Section 5(8) of the IBC, 2016 as the arrangement was on **'Recourse Basis'**.
- IV. It is submitted that the Financial Creditor has the sole power to restrict further disbursement in terms of master agreement clause No.2.4. The said agreement is reproduced as under:

"2.4 Commitment: The Facility is uncommitted. The client is not obliged to use the Facility and factor may refuse to act on any Purchase Requested at its discretion."
- V. It is stated that the Financial Creditor realised a sum of the USD 58,645 for the sale proceeds, which was partly adjusted against invoices No. B/56.
- VI. It is stated that the Corporate Debtor has time and again acknowledge the debt.
- VII. The Applicant thereafter relies upon the following judgement:

- a. Judgment dated 08.11.2021 passed by Hon'ble NCLAT in the case of Drip Capital v. Concord Creations (India) P. Ltd.
- b. Judgment dated 02.08.2021 passed by this Hon'ble Tribunal in the case of Drip Capital v. Jashank Impex Pvt. Ltd.
- c. Judgment dated 31.12.2020 passed by this Hon'ble Tribunal in the case of Drip Capital v. Vibrant FAB Pvt. Ltd.

20. An additional affidavit was filed by the Applicant herein vide inward diary No. D-2283 dated 15.03.2024. The relevant paragraph of the said additional affidavit is reproduced as under:-

*3. I say that it is true and correct that there was a composite Bill of Lading No. AMC 1936760 ("**BL**") towards Seven Invoices bearing Nos. BE/56, BE/57, BE/58, BE/59, BE/60 and BE/61, out of which, the Financial Creditor had discounted only 3 invoices of Corporate Debtor being Nos. BE/56, BE/57 and BE/59 ("**Factored Invoices**"). However, the admitted and undisputed fact remains that the Corporate Debtor in the present case has defaulted in making the repayment of the outstanding amounts to the Financial Creditor.*

Consequently, even without entering into the aspect of selling of goods, the admitted fact remains that there is a default on the part of the Corporate Debtor and the said debt is above the threshold limit of Rs.1 Crore, and hence, the captioned petition deserves to be admitted.

5. Further, I say that even in in-principle approval letter dated 30.03.2022 (@Pg. 38), it was a mandatory condition for the Corporate Debtor to deliver the original BL to Financial Creditor, before availing any factoring facility. Since the Financial Creditor granted the facility on documents against payment' basis, and to secure the payment under the facility, the original BL was delivered by the Corporate Debtor to the Financial Creditor.

6. I say that in compliance of the aforesaid terms and conditions, on 11.10.2022 the Corporate Debtor consciously and with full knowledge delivered the Original BL to the Financial Creditor containing goods towards 7 invoices (including the 3 Factored Invoices) for availing financial facility towards the 3 Factored Invoices from the Financial Creditor.

7. I say that in normal course, within 3 days of discharge of container at the destination port, the Financial Creditor would have released the

Original BL to the Account Debtor against receipt of payments towards Factored Invoices from the Account Debtor. However, the fact remains that the Account Debtor defaulted in payment towards the said Factored Invoices and so the Financial Creditor and hence, the Bill of Lading containing goods of 7 invoices remained with the Financial Creditor.

*8. I say that the legal effect of handing over / possession of the Bill of Lading represents the goods and the transfer of Bill of Lading operates as of the goods and that, title in the goods passes by mere endorsement and delivery of the bill of lading. For ready reference, relevant extract of the judgment rendered by a constitutional Bench of the Hon'ble Supreme Court in the case of J.V. Gokal and Co. (Pvt.) Ltd. . Asst. Collector of Sales-Tax (Inspection) reported in **(1960) 2 SCR 852**.*

21. A reply to the additional affidavit was filed on 03.04.2024, vide inward diary No. D-2797.

I. It is stated that out of the 7 total invoices for which the goods were exported under a common container only 3 invoices were discounted.

II. For the worth of non-discounted 4 invoices amounted amount to **USD 2,33,325/-**.

III. Further, the Applicant has sold the entire goods which were not charged to the Applicant.

IV. As regards the bill of lading being given to the Applicant by the Respondent. It is stated that, the same were obtained through misrepresentation

22. The written Submissions on behalf of the Petitioner was on 26.06.2024, vide inward diary No. D-5019 dated 26.06.2024. In the written submissions, the Applicant has relied upon the following paragraph:-

***2(G).** The Corporate Debtor consciously delivered to Applicant one composite Bill of Lading bearing No. AMC1936760 towards Seven Invoices bearing Nos. BE/56, BE/57, BE/58, BE/59, BE/60 and BE/61, out of which three invoices i.e. BS/56, BE/57, and BE/59 were discounted by Financial Creditor. Such Original BL formed a security towards payment of Factored Invoice and by virtue of the mercantile law and the judgment of the Hon'ble Supreme Court in the case of J.V. Gokul and Co. (Pvt.) Ltd. v. Asst. Collector of Sales Tax (Inspection) reported in **(1960) 2 SCR 852**, the*

*legal effect of handing over / possession of the Bill of Lading represents the goods and the transfer of Bill of Lading operates as a transferred of the goods and that, **title in the goods passes by mere deliver of the bill of lading.***

23. We have heard Ld. Counsel for the both sides and perused the documents as placed before us in the matter.

24. A perusal of the Full Recourse Account purchase and Security Purchase agreement dated 11.04.2022 reveals as under:-

***"Recourse Event** means any one of the following events, whether or not they occur in connection with a Purchased Account (whether or not within the control of the Client):*

a. the Client is in breach of any of its representations, warranties or obligations in the Facility Documentation which relate to that Purchased Account;

b. a fraud, illegality or unauthorized act is committed or permitted by the Client, any Affiliate or any director, proprietor, partner, individual, employee, contractor or agent of the Client or its Affiliate;

c. Factor is not paid in full or Factor is required to reimburse any person for moneys received by it from

any person as a result of a Commercial Dispute (whether or not subsequently settled) or because of any injunction, stop order or other court order (whether or not subsequently discharged);

d.....

e.....

f. any Purchased Account remains unpaid, in whole or in part, after the Invoice Due Date or becomes subject to Dilution;

g.

"7 NON-PAYMENT BY ACCOUNT DEBTOR

7.1 The Factor shall have full recourse to the Client in case of Account Debtor's failure to timely pay any Purchased Account including, but not limited to, an Account Debtor's failure to pay a Purchased Account if a Recourse Event occurs. If this occurs, Factor may exercise recourse on Client by giving a written demand requiring the Client to immediately pay Factor the sum of:

(a) the amount of the relevant Purchased Account, and
(b) any other amount payable by the Client to Factor (including indemnities) relating to that Purchased Account.

7.2 Upon exercise of recourse against the Client by raising a demand, the Client admits that the Factor shall constitute Financial Creditor under applicable law

and amounts under demand notice raised shall constitute admitted financial debt due and payable by the Client. The Client shall be liable to immediately pay the financial debt owed to the Factor under the demand notice, without any dispute. Failure to pay such amounts by the Client as per demand notice shall constitute default in payment of admitted financial debt due and payable by the Client to the Factor.

25. Further, it is seen that the Respondent also executed the Non-Recourse Rider to Full Recourse Account Purchase And Security Agreement dated 11.04.2022 which gives a right to the Applicant to pursue the Respondent for the realisation of the short of amount disbursed.

26. We are of the view that factoring of non-recourse basis is covered under the definition of financial debt in terms of Section 5(8)(e) of IBC, 2016 which reads as under:-

*“Section 5(8): financial debt means a debt along with interest, if any, which is disbursed against the consideration for the time value of money and includes-
(e) receivables **sold or discounted other than any receivables sold on non-recourse basis.**”*

27. As such we hold that the Applicant herein is a Financial Creditor of the Corporate Debtor.
28. The judgment of the Hon'ble NCLAT in the matter of ***Drip Capital v. Concord Creations (India) P. Ltd.***, is squarely applicable in the present matter.
29. As regards the sale of goods under those invoices which were not covered under the factoring services, we rely upon the decision as quoted by the Learned Counsel for the Applicant relies upon the of the judgment of Hon'ble Supreme Court passed in Petition No. 38 of 1959 in the matter of ***J.V. Gokal & Co. (Private) Ltd. Vs. The Assistant Collector of Sales Tax (Inspection) and Others***. The relevant paragraph of the said judgment is extracted as under:-

A bill of lading is "a writing, signed on behalf of the owner of the ship in which goods are embarked, acknowledging the receipt of the goods, and undertaking to deliver them at the end of the voyage subject to such conditions as may be

mentioned in the bill of lading". It is well-settled in, commercial world that a bill of lading represents the goods and the transfer of it operates as a transfer of the goods. The legal effect of the transfer of a bill of lading has been enunciated by Bowen, L.J., in Sanders Brothers v. Maclean & Co. (1) thus at page 341: "The law as to the indorsement of bills of lading is as clear as in my opinion the practice of all European merchants is thoroughly understood. A cargo at sea while in the hands of the carrier is necessarily incapable of physical delivery. During this period of transit and voyage, the bill of lading by the law merchant is universally recognised as its symbol, and the indorsement and delivery of the bill of lading operates as a symbolical delivery of cargo. Property in the goods passes by such indorsement and delivery of the bill of lading, whenever it is the intention of the parties that the property should pass just as under similar circumstances the property would pass by an actual delivery of the goods. And for the purpose of passing such property in the goods and completing the title of the indorse to full possession thereof, the bill of lading, until complete delivery of the cargo has been made on shore to someone rightfully claiming

under it, remains in force as a symbol, and carries with it not only the full ownership of the goods, but also all rights created by the contract of carriage between the shipper and the ship owner. It is a key which in the hands of a rightful owner is intended to unlock the door of the warehouse, floating or fixed, in which the goods may chance to be.”

We have quoted the passage in extenso as it clear and fully states the law on the subject. It is not disputed that the law in India is also similar to that in England. The delivery of the bill of lading while the goods are afloat is equivalent to the delivery of the goods themselves.

30. We are of the view that the Applicant has proved beyond doubt deteriorate rate which is in default and the amount in default in more than Rs.1.00 Crore, which is a threshold prescribed under Section 4 of the Code, 2016.
31. The present application is complete in terms of Section 7(5) of the Code. The Applicant/Financial Creditor is entitled to claim its dues, establishing the default in payment of the financial debt beyond doubt. The outstanding financial debt

is of more than rupees one crore which meets the threshold limit as per section 4 of the Code and is well within the limitation for filing the present application. Moreover, the said default is not covered under the period exempted under Section 10A of IBC, 2016

32. Hence, the Application filed under section 7(2) of the Insolvency and Bankruptcy Code for initiation of corporate insolvency resolution process against the Respondent/Corporate Debtor deserves to be admitted.

33. Accordingly, in light of the above facts and circumstances, it is, **hereby ordered** as under:-

(i) The Respondent/Corporate Debtor – **M/s. Banwari Enterprises Private Limited.** is admitted in the Corporate Insolvency Resolution Process under Section 7 of the IBC, 2016.

(ii) As a consequence thereof, the moratorium under Section 14 of the IBC, 2016 is declared for prohibiting all of the following in terms of Section 14(1) of the IBC, 2016.

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.*
- e. The provisions of sub-Section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a 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 Section 31 or passes an order for liquidation of Corporate Debtor under Section 33 of the IBC, 2016, as the case may be.
- (iv) It is further directed that the supply of essential goods/services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period as per provisions of sub-sections (2) and (2A) of Section 14 of IBC, 2016.
- (v) As proposed by the Financial Creditor, we appoint **Primus Insolvency Resolution & Valuation Pvt. Ltd.**, having Reg. No. IBBI/IPE-0072/IPA-2/2022-23/50002, email- info@primusresolutions.in under section 13 (1)(c) of the Code to act as Interim Resolution Professional ("**IRP**") of Corporate Debtor, subject to the condition that no disciplinary proceedings are pending against him. They shall conduct the Corporate Insolvency Process as per the Insolvency and Bankruptcy Code, 2016 r.w. Regulations made thereunder.

- (vi) The IRP shall perform all his functions as contemplated, inter-alia, by sections 17, 18, 20 & 21 of the IBC, 2016. It is further made clear that all personnel connected with the Corporate Debtor, its Promoter or any other person associated with the management of the Corporate Debtor are under legal obligation under section 19 of the IBC, 2016 for extending assistance and co-operation to the IRP. Where any personnel of the Corporate Debtor, its Promoter or any other person 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.
- (vii) This Adjudicating Authority directs the IRP to make a public announcement of the initiation of CIRP and call for the submission of claims under section 15 as required by section 13(1)(b) of the IBC, 2016.
- (viii) The IRP is expected to take full charge of the Corporate Debtor assets, and documents without any delay whatsoever. He is also free to take police assistance in this regard, and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.

- (ix) The IRP or the RP, as the case may be shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- (x) 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 IBC, 2016.
- (xi) The Financial Creditor is directed to pay an advance of **Rs.2,00,000/- (Rupees Two Lakh Only)** to the IRP within week from the date of this order to meet the cost of CIRP arising out of issuing public notice and inviting claims etc. till the CoC decides about his fees/expenses. Subsequently, IRP may raise further demands for interim funds, which shall be provided as per the Rules.
- (xii) The Registry is directed to communicate a copy of this order to the Financial Creditor, Corporate Debtor and to the IRP and the concerned Registrar of Companies, after completion of necessary formalities, within seven working days and upload the same on the website immediately after the pronouncement of the order. The Registrar of Companies shall update its website by

updating the Master Data of the Corporate Debtor in MCA portal specific mention regarding admission of this Application and shall forward the compliance report to the Registrar, NCLT.

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

34. In view of the above directions, **CP (IB)/239(AHM)2023** is hereby allowed and disposed of. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

-SD-

SAMEER KAKAR
MEMBER (TECHNICAL)

VP

-SD-

SHAMMI KHAN
MEMBER (JUDICIAL)