



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT- I) CHENNAI**

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **18.12.2024** THROUGH VIDEO CONFERENCING

PRESENT: HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

APPLICATION NUMBER :
PETITION NUMBER : CP(IB)/151(CHE)/2023
NAME OF THE PETITIONER(S) : India Bank
NAME OF THE RESPONDENTS : United Steel Builders Systems Pvt Ltd
UNDER SECTION : Sec 7 Rule 4 of IBC, 2016

ORDER

Present: None for the Petitioner.

Ld. Counsel Shri. Deepan for the Respondent.

Vide separate order pronounced in Open Court, the petition is admitted.

Ms. Ramela Rangasamy is appointed as IRP.

Sd/-

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

MG

Sd/-

(SANJIV JAIN)
MEMBER (JUDICIAL)



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – I, CHENNAI**

CP/151(CHE)/2023

*(filed 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 M/s. United Steel Building Systems Pvt. Ltd.

M/s. INDIAN BANK,
Stressed Assets Management Branch,
No. 55, IInd Floor, Zonal Office Building,
Ethiraj Salai, Egmore,
Chennai-600 008

... Applicant/Financial Creditor

-Vs-

UNITED STEEL BUILDING SYSTEMS PRIVATE LIMITED,
New No. 4 (Old No. 9), Flat No. A, Big Street,
Kilpauk Garden Colony, Kilpauk,
Chenna-600 010

.... Corporate Debtor/Respondent

Order Pronounced on 18th December, 2024

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)

VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

*For Applicant: Shri. Pranava Charan M.G., Advocate
Shri. Veerabathiran Prasanth M, Advocate*

*For Respondent: Ms. Arthi Fernandes, Advocate
Shri. R. Praveen, Advocate*



ORDER

(Hearing conducted through VC)

This petition 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 has been filed by the **Indian Bank**, the Financial Creditor / Petitioner herein against **M/s. United Steel Building Systems Pvt. Ltd.**, the Corporate Debtor / Respondent herein for initiating Corporate Insolvency Resolution Process (“CIRP”) against the Corporate Debtor.

2. **Part-I** of the petition sets out the details of the petitioner i.e. Indian Bank. It was incorporated on 05.03.1907 having its address at Stressed Assets Management Branch, No. 55, IInd Floor, Zonal Office Building, Ehiraj Salai, Egmore, Chennai-600 008. **Part-II** of the petition sets out the details of the Respondent / Corporate Debtor i.e., United Steel Building Systems Pvt. Ltd. It was incorporated on 29.07.2009 with paid-up share capital of Rs.1,00,00,000/-, having its address at New No. 4, Old No. 9, Flat No. A, Big Street, Kilpauk Garden Colony, Kilpauk, Chennai-600 010. In **Part-III** of the petition, the Petitioner has proposed the name of Ms. Ramela Rangasamy having Registration



No. IBBI/IPA-002/IP-N00506/2017-18/11700 as the Interim Resolution Professional (“IRP”). **Part-IV** contains the particulars of the financial debt i.e. Rs.20,18,17,611.81 inclusive of interest as on 20.06.2023. It is stated that the default occurred on various dates under the facilities. **Part-V** contains the documents / records i.e., Agreement of Hypothecation of movables dated 03.11.2012, Charge over the movables as per the Agreement for the Hypothecation of movables dated 11.10.2013, Statement of Accounts, OTS proposal dated 20.09.2022 and 29.11.2022, Reply dated 01.12.2022 and Record of Default in Information Utility. This petition has been filed on 12.08.2023.

3. As per the averments made in the petition, the Petitioner had sanctioned the facilities i.e. OCC / DPLC / IBN / Discounting of Bills drawn against LC / Import / Inland LC (DP) / MTL-I (Land and building) / MTL-II (P&M) (collectively referred to as “OCC facilitates”). The facilities were renewed from time to time. The Respondent/Corporate Debtor while availing the above facilitates, executed the following documents:



- a. ZLCC (Zonal Level Credit Committee) Resolution No. 59/3 dated 25.10.2012. **Annexure I (2)**
- b. Demand Promissory Note dated 03.11.2012. [**Annexure I (3)**]
- c. Agreement of Hypothecation of movables dated 03.11.2012. [**Annexure I (4)**]
- d. Agreement of Guarantee dated 03.11.2012. [**Annexure I (5)**]
- e. Letter of Continuity dated 03.11.2012. [**Annexure I (6)**]
- f. ZLCC Resolution No. 13 dated 22.06.2013. [**Annexure I (7)**]
- g. Demand Promissory Note dated 11.10.2013. [**Annexure I (8)**]
- h. Letter of Continuity Dated 11.10.2013. [**Annexure I (9)**]
- i. Agreement of Guarantee Dated 11.10.2013. [**Annexure I (10)**]
- j. Agreement of Hypothecation of movables dated 11.10.2013. [**Annexure I (11)**]
- k. Review Sanction No. 106/2014-15 dated 28.03.2015. [**Annexure I (12)**]



4. It is stated that the Corporate Debtor defaulted in repayment obligations despite numerous notices including the notice under the SARFAESI Act (Demand Notice) dated 11.01.2016, Possession Notice dated 03.09.2020 and Sale Notice dated 30.11.2022. It is stated that finally two properties mortgaged by the Guarantor R. Chandramohan were sold under the SARFAESI Act which action was not challenged either by the Corporate Debtor or the Guarantors. The Sale Certificates dated 04.01.2023 and 28.02.2023 for the properties of the Guarantors were also issued. It is stated that the Financial Creditor/Indian Bank has also initiated the proceedings under RDB Act before the Debts Recovery Tribunal ("DRT"). It is stated that as on 20.06.2023, the total debt outstanding is Rs.20,18,17,611.81 (Rs.2,68,18,697/- Principal Sum and Rs.17,49,98,914.64 Interest) due and payable by the Corporate Debtor. The Petitioner has given the dates on which the default occurred, computation of default amount and interest payable on the amount from the respective dates vide **Annexure-1(18)**. The Petitioner has also attached the copy of Demand Notice dated 11.01.2016, Possession Notice dated 03.09.2020, Sale Notice dated 30.11.2022 and 02.01.2023, Sale Certificates dated 04.01.2023 and 28.02.2023, Statement of Accounts, OTS proposals dated 20.09.2022, and 29.11.2022 and reply



by the Bank dated 01.12.2022. It has also given the Master Data of the Corporate Debtor.

5. On getting notice of the petition, the Respondent filed the reply denying the allegations contained in the petition stating that the petition is barred by limitation. As per the NeSL Certificate, the account was declared NPA on 31.12.2015, in the petition at Page-96, the date of default is mentioned as 01.07.2015, however, the petition has been filed on 12.08.2023 i.e. beyond the limitation period of three years as provided under Article 137 of the Limitation Act. It is stated that the Petitioner failed to identify the specific date of default. It, instead, attached a table with the dates of defaults along with the amounts due thereunder starting from the year 2021 onwards. It is stated that although the OTS proposal can be treated as an acknowledgement of debt under Section 18 of the Limitation Act but the essentials of the acknowledgment are that there must be an admission of liability, acknowledgement of jural relationship between the parties and such acknowledgement in writing must be given within the original period of limitation. In the present case, the OTS proposal is of dated 20.09.2022 though the limitation ended on 30.06.2018.



6. It is stated that the Respondent had obtained several facilities from the Petitioner including two Medium Term Loans (“MTL”) which have been paid off in full and Open Cash Credit (“OCC”) which is the subject-matter of the petition. It is stated that in the proceedings pending before the DRT, the Respondent has filed the counter claim in relation to unlawful deductions / remittances. It is stated that out of MTL-I, MTL-II and OCC, the Respondent has closed MTL-I & MTL-II. It is stated that the Petitioner has sold all the movables and some immovables of the Petitioner and the Guarantors in auction and appropriated the amount towards the loan. A Gazette Notification of the Ministry of MSME dated 29.05.2015 and the Circular issued by RBI/2015-16/338 dated 17.03.2016 have been referred to submit that the Ministry had set up a framework for revival and rehabilitation of MSME which provided for setting up of Committees by banks to identify the MSME undergoing stress in repayment of loans for Structure Corrective Action Plan. It is stated that the Petitioner also resorted to the said mechanism but failed to comply with the timelines stipulated in the circular. It is stated that the Respondent is MSME and had submitted a Rehabilitation Proposal to the bank on 12.09.2015 but the bank failed to form a Committee till date nor communicated any



decision on its proposal. On 08.06.2018, it (Corporate Debtor) was directed to submit a fresh request to the branch along with the latest reports and financials which was also done by the Respondent but despite that, the Petitioner took a decision to initiate the recovery proceedings not adhering to the timelines provided in the Guidelines / RBI Circular. It is alleged that the Petitioner has charged the interest in excess of the sanction letters.

7. The Petitioner has filed the rejoinder stating that as per the Information Utility, the first date of default was 01.07.2015. The account of the Corporate Debtor was declared NPA on 31.12.2015. The SARFAESI proceedings were initiated by sending the Demand Notice on 11.01.2016, Possession Notice on 03.09.2020, Sale Notice on 30.11.2022 and 02.01.2023 and Sale Certificate on 04.01.2023. It is stated that the above notices were the consequences of the act of default calling upon the Corporate Debtor to pay the debt within the stipulated timeline. It is stated that the Corporate Debtor had also acknowledged the Debt-cum-Security on 14.05.2018, submitting the Rehabilitation Proposal on 13.02.2019, OTS offer on 06.12.2021, 20.09.2022, 08.10.2022 and 29.11.2022 respectively. It is stated that the



Corporate Debtor also acknowledged the debt in the Directors Report / Auditors Report dated 31.08.2015, 30.08.2016, 04.09.2017, 27.08.2018, 05.09.2019 and the Balance Sheet for the year ended 31.03.2021. It is stated that the petition has been filed on 12.08.2023. It is stated that subsequent communications/acknowledgment of debt in the Balance Sheets / Letters, give a cause for fresh period of limitation. Reference is made of the case "*Laxmi Pat Surana vs. Union Bank of India and Ors. [2021/INSC/220]*". It is stated that pendency of proceedings before the DRT does not bar the Financial Creditor to initiate an action under IBC. Reference is made of the case "*N.P. Abdul Nazer vs. Union Bank of India [2023/KER/52151]*" in relation to RBI Circulars for rehabilitation where it was held that it is an optional framework available to the bank and the borrower and the same cannot prevail over the statutory provisions of the SARFAESI Act in the matter of recovery of loans. Reference is also made of the case "*(a) Kotak Mahindra Bank Limited vs. Girnar Corrugators Private Limited and Others [MANU/SC/0013/2023 : 2023:INSC:12: (2023) 3 SCC 210]* and *(b) A. Navinchandra Steels Pvt. Ltd. and Ors. Vs. Union of India and Ors. (11.01.2014 – BOMHC) : MANU.MH/0179/2024"* . It is stated that the Financial Creditor had declined the request for restructuring the



account as the process involved sacrifice to the tune of Rs.4.24 Crores for which no justification was available.

8. The Respondent filed the sur-rejoinder alleging that the validity of acknowledgment cum security dated 14.05.2018 is pending challenge before the DRT. The Corporate Debtor has consistently denied having executed the debt confirmation letter on 14.05.2018 and the said document is a fabricated document.

9. We have heard Ld. Counsels for the parties.

10. Ld. Counsel for the Petitioner reiterated what has been stated in the petition and the rejoinder and also filed the written synopsis. He contended that the petition is within limitation. The first date of default was in the year 2015. There were subsequent communications / acknowledgment of debt in the Balance Sheets / Letters which were within the period of three years from the date, the debt became due. So, by virtue of Section 18 of the Limitation Act, every acknowledgment gives cause to a fresh period of limitation. Ld. Counsel contended that the Corporate Debtor has not filed any complaint as to the alleged forgery qua acknowledgement of debt cum security dated 14.05.2018 and the allegations are baseless. Ld. Counsel



referred to the case of *“Asset Reconstruction Company (India) Limited Vs. Uniworth Textiles Limited 2023 180 SCL 144”* where it was held that *“It is desirable that while looking such entries of debt amounting to acknowledgment, one has to consider the overall scenario which may be evident from Director’s Report, Auditor’s Report, note to the accounts etc.* He also referred the case of *“State Bank of India Vs. Krishindhan Steels Private Limited 2022 233 CompCas 72 (SC)”* where it was held that *“an acknowledgement in a balance sheet without a qualification can furnish a legitimate basis for determining as to whether the period of limitation would stand extended, so long as the acknowledgment”*.

11. Ld. Counsel for the Respondent also argued on the lines of the reply and sur-rejoinder and filed the written synopsis. He contended that the application is barred by limitation. Ld. Counsel stated that after the order dated 29.04.2024 passed by this Tribunal in IA/774/2024 to bring on record additional documents which included alleged acknowledgment of debt cum security dated 14.05.2018, it was incumbent upon the Petitioner to amend the Section 9 petition to reflect the actual date of default but no such steps were taken. Further, the Petitioner failed to attach the complete working for computation of



amount in default. Ld. Counsel contended that the Respondent has already disputed the document dated 14.05.2018 before the DRT which is pending adjudication.

12. We have given thoughtful consideration to the rival contentions and perused the record.

13. It is not in dispute that the Corporate Debtor / Respondent had availed various facilities from the Bank as detailed above which were renewed from time to time. Two properties were mortgaged by the Guarantor towards security of the loan. When the Corporate Debtor failed to repay the loan, the Petitioner initiated the action under the SARFAESI Act and sold the two properties of the Guarantor vide sale certificates dated 04.01.2023 and 28.02.2023. The Financial Creditor also initiated the recovery proceedings against the Corporate Debtor under RDB Act by filing the suit before DRT. The Petitioner has given the details of the outstanding dues as on 20.06.2023 in part-IV of the application.

14. It is true that there is a gazette notification of the Department of MSME dated 29.05.2015 and RBI Circular 2015-16/338 dated 17.03.2016 giving a framework for revival and rehabilitation of MSME and that



the Corporate Debtor / Respondent had submitted a letter dated 12.09.2015 to the bank, annexed as Annexure – VII in the Reply, but in the said letter the Respondent had not mentioned that it is a MSME and it requires restructuring under the framework provided for in the gazette notification and RBI circular. The Bank had responded to the letter vide reply dated 16.11.2015 calling upon the Corporate Debtor to adjust the over dues immediately, but the Corporate Debtor instead requested for rehabilitation vide letter dated 20.11.2015 which was responded by the Bank vide letter dated 07.12.2015. Thereafter, the notice under SARFAESI Act was given. The correspondence continued between the parties and the Bank vide letter dated 08.06.2018 advised the Corporate Debtor to resubmit the request with its Sterling Road Branch with the latest TEV report, ABS as on 31.03.2018, CMA, A&L Credit Report of the Directors and all other supporting documents. The letter is reproduced as under.



203

अंचल कार्यालय-संन्य दक्षिण ZONAL OFFICE -CHENNAI SOUTH	 आपका बैंक Your Own Bank	55, पुरीयण सार्थी & THIRAJ SALAI, चेन्नै Chennai 600 008 फोन Pb: 044-2822 6185, 2825 6220 टोल फ्री Toll free : 1800 425 00 000 वेबसाइट Website : www.indianbank.in ई मेल e mail : zochennai@south@indianbank.co.in
ऋण अनुभाग CREDIT SECTION		
ZO:CHS:CREDIT: 318 /2017-18		08.06.2018

The Managing Director
M/s United Steel Building Systems (P) Ltd
Old No-9, New No-4, Big Street
Kilpauk Garden
Chennai-600 010.

Dear Sir,

Sub: A/c United Steel Building Systems (P) Ltd with our Sterling Road Branch -reg
Ref: Your letter dt.08.06.2018.

We acknowledge the receipt your letter and we wish to inform that your request for rehabilitation of the existing credit facilities couldn't be taken up due to the following factors.

- The TEV report submitted is of November 2015 and now restructuring proposal cannot be taken up with this available report.
- The restructuring would come under the purview of "Framework for Revival and Rehabilitation of Micro Small and Medium Enterprises Committee". Hence with the non-availability of latest TEV report, the committee may not be in a position to arrive on the viability & feasibility of the proposal
- The Sterling Road Branch in which the credit facilities are availed is likely to be attached to our Chennai North Zone.

In view of the above factors, we advise you to resubmit your request with our Sterling Road Branch with the latest TEV report, ABS as on 31.03.2018, CMA , A&L, Credit Report of the Directors and all other supporting documents.

Yours faithfully


Assistant General Manager (Credit)



The correspondence continued between the parties and finally the bank vide letter 01.03.2019 returned the request for restructuring. The letter is reproduced as under.



67

22

Phone: 28277844, 28257944,
Email : sterlingroad@indianbank.co.in

36, Sterling Road,
Chennai - 600 034.

✓ Mr R. Chandramohan
Managing Director
United Steel Building Systems Private Limited
Old No 9, New No.4, Big Street
Kilpauk Garden
Chennai - 600010

Recd on
04/03/2019
R

01.03.2019

Dear Sir,

Sub: A/c.M/s.United Steel Building Systems Private Limited – Your request for restructuring of account – Reg.

Arent the above, we regret to inform you that your request for restructuring the account has been returned by our Higher Authorities as it was observed that apart from carving out irregular portion of OCC to the tune of Rs.3.96 crores as WCTL, you are requesting to fund the accumulated interest as FITL upto Rs.2.00 crores out of Rs 6.24 crores in MOI, thereby the proposal involves sacrifice to the tune of Rs.4.24 crores for which no justification is available.

We are advised by our higher authorities to initiate Recovery measures. The account has been transferred to Stressed Assets Management Vertical (SAM V). We advise you to contact SAM V for future correspondence.

Yours faithfully

Chief Manager (BM)



15. It is not the case that the Bank did not consider the restructuring proposal. It on consideration, did not find it justifiable. It was thereafter, the Corporate Debtor submitted the OTS offers dated 06.12.2021, 20.09.2022, 08.10.2022 and 29.11.2022. In the Directors Report / Auditors Report dated 31.08.2015, 30.08.2016, 04.09.2017, 27.08.2018, 05.09.2019, the Corporate Debtor has acknowledged its



liability. In the case of *Asset Reconstruction Company supra*, it was held as under:

“It is therefore desirable that while looking such entries of debt amounting to acknowledgment, one has to consider the overall scenario which may be evident from Director’s Report, Auditor’s Report, note to the accounts etc. It may also be relevant to consider the entire series of events starting from such loans/debts to the filing of application under section 7 of the Code, to gauge the true intent of such entries and caveats, if any, which impact the intended acknowledgments or genuine denial of liability on part of the Corporate Debtor. While doing this examination, it may be worthwhile to look into the overall eco system of such transactions which may help in understanding the impact on limitation period based on such acknowledgments.

In the case of *State Bank of India supra*, it was held as under.

“an acknowledgement in a balance sheet without a qualification can furnish a legitimate basis for determining as to whether the period of limitation would stand extended, so long as the acknowledgment”.

16. It is clear from the above proposition of law that an acknowledgment in a balance sheet or the books, furnishes a legitimate



basis for determining the period of limitation. In the present case, the account was declared as NPA on 31.12.2015 as seen from the NeSL certificate and the record. The Petitioner has also placed a letter acknowledging the debt cum security dated 14.05.2018. Though the Corporate Debtor has alleged that the said letter is a forged letter but no complaint was lodged by the Corporate Debtor in this respect. Only a bald allegation without any substance has been made by the Corporate Debtor. Even otherwise there is enough material on the record which substantiates the claim of the Petitioner that acknowledgment of debt is within the period of three years from the day the debt became due and the limitation will start from the date of acknowledgment as provided under Section 18 of the Limitation Act. This petition has been filed on 12.08.2023. So by virtue of the limitation extended by Hon'ble Supreme Court in Suo writ petition 3/2020, the Petitioner is entitled to the benefit of limitation.

17. As regards the contention that the Petitioner has initiated the recovery proceedings under the DRT Act, we are in agreement with the contention of Ld. Counsel for the Petitioner that pendency of the DRT proceedings does not bar the Petitioner to initiate insolvency



proceedings against the Corporate Debtor. It was held in the case of *Laxmi Pat Surana supra* that DRT does not bar the Financial Creditor to initiate an action under IBC.

18. Now coming to the contention that the Bank arrived at a decision to initiate recovery proceedings without adhering to the timelines mentioned in the circular, referring to the case of *M/s. Pro Knits Vs. the Board of Directors of Canara Bank & Ors 2024 INSC 565 vide order dated 01.08.2024*. The Hon'ble Supreme Court in its order at para No. 16 has held as under.

".....The said Framework also enables the Micro, Small or Medium Enterprise to voluntarily initiate the proceedings under the said Framework, by filing an application along with the affidavit of an authorized person. Therefore, the stage of identification of incipient stress in the loan account of MSMEs and categorization under the Special Mention Account category, before the loan account of MSME turns into NPA is a very crucial stage, and therefore it would be incumbent on the part of the concerned MSME also to produce authenticated and verifiable documents/material for substantiating its claim of being MSME, before its account is classified as NPA. If that is not done, and once the account is classified as NPA, the banks i.e. secured creditors would be entitled to take the recourse to Chapter III of the SARFAESI Act for the enforcement of the security interest".

19. In the present case, the Respondent has not made any representation as an MSME before the Bank. Further, the Respondent



had submitted OTS proposals on 20.09.2022 and 29.11.2022. Only at the time of filing the synopsis, the Respondent has raised this plea of it being an MSME and that it was entitled to rehabilitation plan in terms of the notification and the circular.

20. In the instant case, the Petitioner has proved the debt due and payable by the Corporate Debtor which is more than Rs. 1.0 Crore. It has also proved the default. The petition is also within limitation.

21. The Hon'ble Supreme Court in the case **Innoventive Industries Limited -Vs- ICICI Bank & Anr., (2018) 1 SCC 407** has held that Tribunal is required to see whether there is a 'debt' which is due and payable under the law and whether the default is more than Rupees One Lakh (now Rupees One Crore). The moment when default amount exceeds rupees one crore, this Tribunal is required to initiate a Corporate Insolvency Resolution Process as against the Corporate Debtor.

22. Since, the Financial Creditor has proved that there is a debt. The default is more than Rs.1 crore which satisfies the mandate under



Section 7 of the Insolvency & Bankruptcy Code, 2016. We therefore **admit** this petition and order for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor.

23. The Financial Creditor has proposed the name of **Ms. Ramela Rangasamy**, having Reg. No. IBBI/IPA-002/IP-N00506/2017-2018/11700; Email ID: rum_jai@yahoo.com as the Interim Resolution Professional (IRP) who has also filed his consent in Form – 2 and also upon verification from the IBBI website, it is seen that the said person hold valid Authorization for Assignment till 31.12.2025. **Ms. Ramela Rangasamy**, is appointed as the IRP is directed to take charge of the Corporate Debtor's management immediately. The IRP is also directed to cause public announcement as prescribed under Section 15 of the IBC, 2016 within three days from the date the copy of this Order is received, and call for submissions of claim by the creditors in the manner as prescribed under Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

24. As a consequence of the Application being admitted in terms of Section 7 of the Code, moratorium as envisaged under provisions of



Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor;

- a. The institution of suits or continuation of pending suits or proceedings against the respondent 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 respondent 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 respondent 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 respondent.

Explanation.-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local



authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license or a similar grant or right during moratorium period;

25. However, during the pendency of moratorium period in terms of Section 14(2) and 14(3) as extracted hereunder;

(2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

(3) The provisions of sub-section (1) shall not apply to



- (a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;
- (b) a surety in a contract of guarantee to a corporate debtor.

26. The duration of period of moratorium shall be as provided in Section 14(4) of the Code which is reproduced below for ready reference;

- (4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the 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, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.



27. The IRP is directed to take charge of the Corporate Debtor's management immediately. The IRP is also directed to cause public announcement as prescribed under Section 15 of the IBC, 2016 within three days from the date the copy of this Order is received, and call for submissions of claim by the creditors in the manner as prescribed under Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

28. The IRP appointed shall take in this regard such other and further steps as are required under the Statute, more specifically in terms of Section 15, 17, 18 of the IBC, 2016 and file his report within 30 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

29. The IRP shall comply with the provisions of Sections 13(2), 15, 17 & 18 of the Code. The Directors of the Corporate Debtor, its Promoters or any person associated with the management of the Corporate Debtor are/is directed to extend all assistance and cooperation to the



IRP as stipulated under Section 19 of IBC, 2016 for the purpose of discharging his functions under Section 20 of IBC, 2016.

30. The IRP shall take custody of the records of information relating to the assets, finances and operations of the Corporate Debtor referred in clause (a) of section 18 and such other information required under regulation 36; and also the assets recorded in the balance sheet of the Corporate Debtor or in any other records referred in clause (f) of section 18 of IBC, 2016 and the personnel of the Corporate Debtor, its promoters or any other person associated with the management of the Corporate Debtor shall provide to the IRP, the list of assets in terms of Regulation 3A of the IBBI (Insolvency Resolution Process of Corporate Persons) Regulations, 2016.

31. The IRP shall conduct the Corporate Insolvency Resolution Process in respect of the Corporate Debtor as stipulated under Chapter VIII of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

32. Based on the above terms, the Petition stands admitted in terms of Section 7 of the Code and the Moratorium shall come into effect as



of this date. A copy of the Order shall be communicated to the Financial Creditor as well as to the Corporate Debtor above named by the Registry. In addition, a copy of the Order shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named shall also be furnished with copy of this Order forthwith by the Registry, who will communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

33. We in the light of above discussions, we admit the petition and order for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor i.e. United Steel Building Systems Private Limited.

34. Accordingly, CP/151(CHE)/2023 stands **admitted**.

SD/-

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

SD/-

(SANJIV JAIN)
MEMBER (JUDICIAL)